

Environmental, Social & Governance Report

Financial Year
2022-23



Zy+us
Wellness

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About the Report

We, at Zydus Wellness Limited ("Zydus Wellness / the Company"), continue to uphold our philosophy of building products that help add "wellness" in people's lives. While the journey continues, we took a conscious call to communicate to all our stakeholders about our sustainability journey. The report summarizes the Environmental, Social and Governance (ESG) considerations along the way we do business. We would like to emphasize that the sections

below aim to set a tone for our sustainability journey. The ESG Report focuses on the period between April 1, 2022, to March 31, 2023 (FY 2022-23). The disclosure under this report for FY 2022-23 includes the Standalone Parent Company i.e., Zydus Wellness Limited, its wholly owned Indian subsidiary companies, four manufacturing facilities across four locations at Aligarh, Ahmedabad, Sikkim (2 units) and office located at Mumbai and corporate office at Ahmedabad. The information presented for

the FY 2021-22 covers 5 (five) manufacturing facilities across 4 (four) locations - Aligarh, Ahmedabad, Sikkim and Sitarganj and office located at Mumbai and corporate office at Ahmedabad. Sitarganj facility ceased its operations w.e.f. June 17, 2022.



About Zydus Wellness

Company Overview

Established in 1994, Zydus Wellness is a leading consumer wellness company with an Indian heritage and a global footprint. We believe that a healthy lifestyle is not just about being active but also about feeling good from within. So, we approach health and wellness in a holistic manner. We nourish, nurture and energize millions of lives by offering a variety of innovative, industry-leading products. With over 30 years of operational excellence, from a pioneering move to sweeten people's lives and offering the freedom of choice in 1988 when we launched Sugar Free to becoming one of the leaders in the Wellness domain, the company today has 6 power brands, namely Sugar Free, Glucon-D, Nutralite, Everyuth, Nycil and Complian.

Impact we create



Zydus Wellness nourishes, nurtures and energizes over **50Mn+ Families** through our portfolio of products.



In doing so we support over **5000 Families** through people working with us across manufacturing plants, head-offices & ground sales team.



Over **2000 MSMEs** are involved as business partners in our business.



We are also extremely proud to support over **25,000 dairy farmers** through our milk society network.



Business spans over
25 Countries and 3 Continents



900+
Distributors



2.5 Mn
Retailers



25 (21 cold storage)
Warehouses



2100+
Field Force



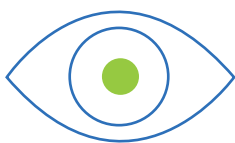
4
Manufacturing
facilities



8
Co-pack operations
in India, New Zealand
and Oman

As a part of manufacturing and supply chain network optimization and to make manufacturing operations leaner and agile to the consumer needs, the Company (and its subsidiaries) has conducted a strategic review of its manufacturing footprint. In view of the same, the Board of Directors of Zydus Wellness Products Limited, a wholly owned subsidiary Company, at their meeting held on June 17, 2022, passed a resolution to cease the operations of Sitarganj manufacturing facility located in Uttarakhand.

Vision



“

To bring
Wellness to
your life

”

Our vision is to bring wellness to your life. We create new products that will Nourish, Nurture, and Energize your life.



Nourish



Nurture



Energize

We shall lead the way through innovation

Our DNA

To build new emergent categories with differentiated product propositions. Philosophy of building products that are good for you.

We are committed to the core behaviours that define the Zydus Way of life and are our Pride and Passion. These are the guiding principles that we live by, in the quest to make our vision a reality - in the way we behave and in everything that we do.



Delivering Health and Sustained Wellness through Differentiated Brands

We present the highlights of the brands associated with us:

Sugar Free

- The Sugar Free brand continues to firmly hold the leadership position with a market share of 96% as per MAT (Moving Annual Total) March 2023 Report of IQVIA.
- Specific brand extensions include:
 - » Sugar Free Gold: Sugar alternative made from Aspartame (protein derivative). Ideally added to tea, coffee, milk, cornflakes, fresh lime juice and other fruit juice. Balance sweetness with calorie intake. Ideal for the health conscious, overweight and diabetics.
 - » Sugar Free Natura: Made from Sugar and tastes like sugar – with low calories. The product contains Sucralose, the latest international zero-calorie sweetener. It helps replace sugar in desserts and confectionaries.
 - » Sugar Free Green: 100% Natural offering of Sugar Free made from Stevia. New formulation developed using fresh, better-tasting stevia in FY 2020-21.
- Positioned as "First Step towards fitness".
- The product won bronze for "Best Social Media Campaign", silver for "Best Integrated Campaign" at "E4M Health Marcom Awards" and gold for "Best use of Content Marketing" at "E4M Indian Marketing Awards".



Sugar Free D'Lite Dark Chocolates and Oat Cookies

Sugar Free D'Lite dark chocolates are made from natural sweeteners and contains a minimum of 50% cocoa. The dark chocolate portfolio comprises four flavors: Dark Rich Cocoa, Dark Hazelnut & Roasted Almonds, Dark Crispy Quinoa & Roasted Almonds and Dark Zesty Orange. Sugar Free D'Lite oat cookies are a healthier alternative to the traditional biscuits and are exported in three different flavors: Yummy Berry Oat cookies, Choco Chips Oat Cookies and Nutty Almonds Oat cookies.



Glucon-D

- Glucose based energy booster with a legacy of over 40 years.
- Labeled as "The Most Trusted Brand" in the Health and Personal Care category.
- Positioned as an effective energy booster.
- Glucon-D the brand continues to maintain its number one position with a market share of 60.1% as per MAT March 2023 report of Nielsen.
- Its variants comprise Regular, Tangy Orange, Mango blast and Nimbu Pani.
- Glucon-D ImmunoVolt was launched in 2020 as tasty bites to boost immunity for kids which is available in three variants viz. Orange, Strawberry, and Kaccha Mango.
- Glucon-D continues to focus on innovations with initiatives like Glucon-D sachets, Glucon-D mango blast and Glucon-D immunovolt kaccha mango variant.
- The product won Gold for Mother's Day campaign, "MyEnergyMaaEnergy", in the category of "Small Budget Campaign" at the SPOTT Awards by Economic times and Bronze was awarded at ET Brand "Small Budget Digital Marketing Campaign" at "DG+ Awards, 2023".



Nutralite

- Nutralite offers healthier alternatives to tasty food supplements
- Leader in substitute products for butter and low-calorie spreads in the country
- Nutralite Table Spread is a rich source of Omega-3, and is fortified with Vitamins A, D2, and E
- Entered Dairy segment with the launch of Nutralite Doodhshakti range of Ghee and Butter Spread made with fresh creamy milk
- Nutralite Doodhshakti Probiotic Butter Spread contains probiotics which support immunity
- Nutralite Doodhshakti Pure Ghee contains Vitamin-A and milk fat, making it a rich source of energy for children
- Nutralite range also includes healthier Choco Spreads and vitamins fortified Mayonnaise variants



Everyuth

- The Everyuth Naturals range of products are fortified with natural ingredients that are known for their efficacy and skin nurturing properties. The product portfolio includes Face Scrubs, Peel Off Masks, Face Packs, Face Washes, Body Lotions and Aloe Vera Gel.
- Everyuth Scrub continues to maintain its leadership position with a market share of 43.8% in the Facial Scrub Category.
- Everyuth Peel-off has maintained its number one position with a market share of 78.9% in the Peel-off Category for the year.
- The brand is at the 5th position with a market share of 6.2% at overall Facial Cleansing Segment level as per MAT October 2023



Nycil

- The product has been in existence since last 50+ years and has been one of the most trusted prickly heat powder brands.
- Nycil, a household brand that has high equity and trust, has maintained its number one position with a market share of 35.4% in the Prickly Heat and Cooling Powder Category.
- Its unique Ayurvedic formula fortified with antibacterial neem provides protection from sweat, body odor, rashes, itching and heat.
- The product was awarded under silver category at the Outdoor advertising Awards, 2022.



Complan

- Trusted heritage brand for 75+ years with 90% brand recognition.
- Clinically proven to provide 2X faster growth and also support cognitive abilities (memory and concentration).
- Strong Health and Nutrition credentials with highest protein against all competing brands.
- The brand's market share stood at 4.5% in the Health Food - Drink (HFD) category as per MAT March 2023 Nielsen report.
- Made from 100% High-quality milk protein content to meet the growth requirements of the consumer.



Refer Company's website for more details: www.zyduswellness.com

Message from Leadership



Tarun Arora
CEO & Whole Time Director
Zydus Wellness Limited

Dear Stakeholders,

We are honored to present our Environmental, Social and Governance (ESG) report for the financial year 2022-23. As we reflect on our progress and achievements, it is with a deep sense of pride and responsibility that I address you, our valued stakeholders.

Environmental Responsibility:

Our commitment to environmental sustainability remains unwavering. In financial year 2022-23, we achieved significant milestones in reducing our carbon footprint, implementing energy-efficient practices and embracing sustainable technologies. We have invested in initiatives that not only benefit our business but also contribute to the global effort to combat climate change. Our dedication to environmental responsibility is a testament to our belief that a thriving business must coexist harmoniously with a thriving planet.

Milestones attained/ In-progress:

- We've recently committed to a 25-year deal to generate 2MW of solar power for our Aligarh plant, a significant step towards reducing our carbon footprint and promoting clean energy.
- Increasing our reliance on renewable energy sources by 15% by FY 2028-29.
- Ahmedabad plant converted into Zero Liquid Discharge and Sikkim plant to be converted into Zero Liquid Discharge by FY 2023-24.

Our manifesto:

- Achieving a 15% reduction in emissions by the FY 2028-29 against the base year FY 2021-22.
- Reducing energy intensity by 20% by the FY 2028-29 against the base year FY 2021-22.
- Lowering water intensity by 15% by the FY 2028-29 against the base year FY 2021-22.

Social Impact:

Our impact on society goes beyond financial metrics. We foster an inclusive environment that champions equal opportunity and embraces diversity in all its forms. In FY 2022-23 permanent women workforce increased by 7% compared to previous year. We continued our support for social initiatives, contributing to education, healthcare, and community development. Our engagements encompass statutory and internal events. The company fosters global community well-being. Zydus Shrishti, the Group's CSR program, focus in the areas of health, education, and research. Notably, the Zydus Medical College and Hospital in Dahod addresses patient needs and rural medical education. Additionally, we support local dairy farmers through development programs, offering expertise in animal husbandry, nutrition, milk production, and handling practices. The positive social impact we create reflects our belief that the business success is inseparable from societal well-being.

Governance Excellence:

Governance is the bedrock of our integrity and reputation. We maintained a steadfast commitment to the highest standards of Corporate Governance. Our Board of Directors provided effective oversight, ensuring transparency, accountability, and ethical decision making. We continued to refine our governance practices to align with evolving expectations, recognizing that trust is earned through responsible and principled leadership.

Looking Ahead:

As we navigate the challenges and opportunities ahead, our commitment to ESG principles will remain central to our decision making. We understand that sustainable business practices are not just a choice but a necessity for long-term success. In the coming years, we will continue to set ambitious environmental goals, strengthen our social impact initiatives, and enhance our governance practices.

Our ESG journey is a collective

effort, and we extend our gratitude to our employees, customers, partners, and investors for their continued support and collaboration. Together, we are building a resilient and responsible future.

This report serves as a transparent account of our ESG performance, and we invite you to explore the details of our initiatives, achievements, and areas for improvement. Your feedback is invaluable as we strive to continually improve and make a positive impact.

Thank you for being part of our journey towards a more sustainable and responsible future.

ESG Highlights



ENVIRONMENT

- Reduced energy intensity to 2.04 (FY 2022-23) from 2.31 (FY 2021-22).
- Lowered scope 1 & 2 emissions intensity to 0.06 (FY 2022-23) from 0.11 (FY 2021-22).
- Set targets for the FY 2028-29: 15% emission reduction, 15% increase in renewable energy, and 20% energy intensity reduction against the base year FY 2021-22.
- Reduced water intensity to 1.7 (FY 2022-23) from 2.2 (FY 2021-22).
- Aiming for a 15% water intensity reduction by the FY 2028-29 compared to the FY 2021-22.
- Sikkim plant on track for Zero Liquid Discharge by Dec '23.
- Ahmedabad plant achieved 100% Zero Liquid Discharge in the FY 2022-23.
- Signed the term sheet for 2MW solar power project.
- Reduced the food loss and waste intensity by 0.14% in the FY 2022-23 compared to the FY 2021-22.
- Transitioning to fully

recyclable multi-layer plastic by 2027.

- Aiming to reduce packaging material by 1,000 tons over the next 3 years, starting FY 2023-24.



SOCIAL

- Invested 1,660 man-hours in safety related employee trainings in FY 2022-23, which is 18% increase compared to FY 2021-22.
- Zero fatalities and lost days in all plants in the FY 2022-23.
- Established the R&D facility emphasizing food science and nutrition.
- Current women in total workforce: 4.7%, share of women in all management positions, including junior, middle and top management: 5.7% and share of women in STEM-related positions: 11%.
- Total permanent women workforce has increased by 7% in the FY 2022-23 compared to the previous year.



GOVERNANCE:

- Defined roles and responsibilities for ESG involvement at the governance level involving various committees and leads involving the CEO, CSR & ESG committee, Steering committee, ESG Leads, and ESG Working council.
- Ahmedabad and Sikkim plants are ISO 14000 and ISO 45001 certified and certification is in progress for Aligarh plant.
- Created and revised multiple ESG-related policies such as ESG, Diversity & Inclusion, Anti-Bribery and Anti-Corruption, Human Rights, Biodiversity, Occupational Health & Safety, Environment, Human Rights and Ethical and Responsible Marketing.

Company Information

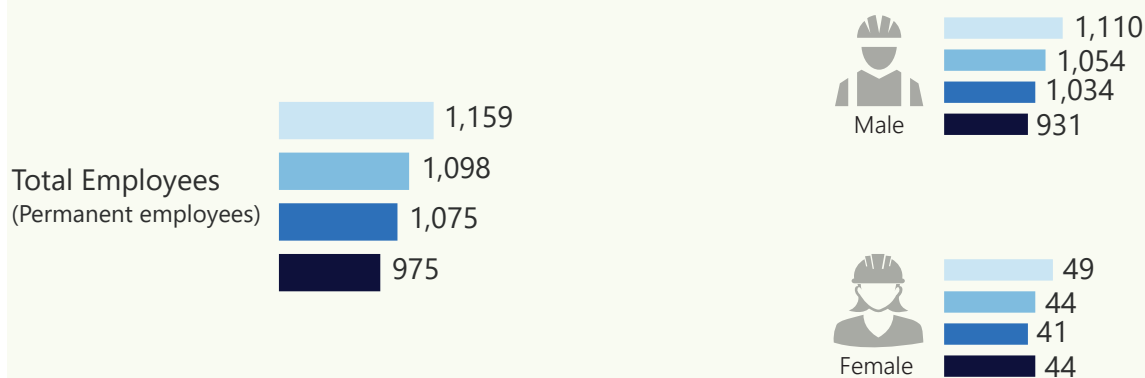
Revenue and Employees

Revenue



FY 2019-20 FY 2020-21 FY 2021-22 FY 2022-23

Employees



FY 2019-20 FY 2020-21 FY 2021-22 FY 2022-23

Economic & Governance

Message from Chief Financial Officer:



Umesh Parikh
Chief Financial Officer
Zydus Wellness Limited

In the Economic & Governance disclosures section of our ESG report, we presented a comprehensive overview of Zydus Wellness' unwavering commitment to corporate governance and sustainable economic practices.

At the board level, we have expanded the scope of the existing CSR Committee by incorporating ESG terms of reference, transforming it into

the CSR & ESG Committee. This evolution underscores our dedication to Environmental, Social, and Governance considerations, ensuring that our policies and strategies align seamlessly with our commitment to responsible and ethical business practices. Recent updates to our policies and the introduction of new frameworks underscores our continuous efforts to maintain the highest standards of business integrity and regulatory compliance.

Our investments in research and development continue to be a pivotal element of our growth strategy, propelling innovation and nurturing the creation of forward-looking solutions. While our consistent and competitive growth trajectory is financially driven, it is equally underpinned by a profound sense of responsibility towards our stakeholders and the environment.

Within Zydus Wellness, our Code of Conduct and associated policies acts as a

guiding compass, directing each of us to uphold our core values of business integrity across all facets of our operations. Through unwavering adherence to laws and regulations, we are steadfastly reinforcing our robust Corporate Governance and risk management framework, ensuring that our business operates with the utmost transparency and accountability.

I invite you to explore this section for a deeper insight into our governance practices and economic resilience, as we endeavor to construct a sustainable and prosperous future for all.

Sustainability Taxonomies

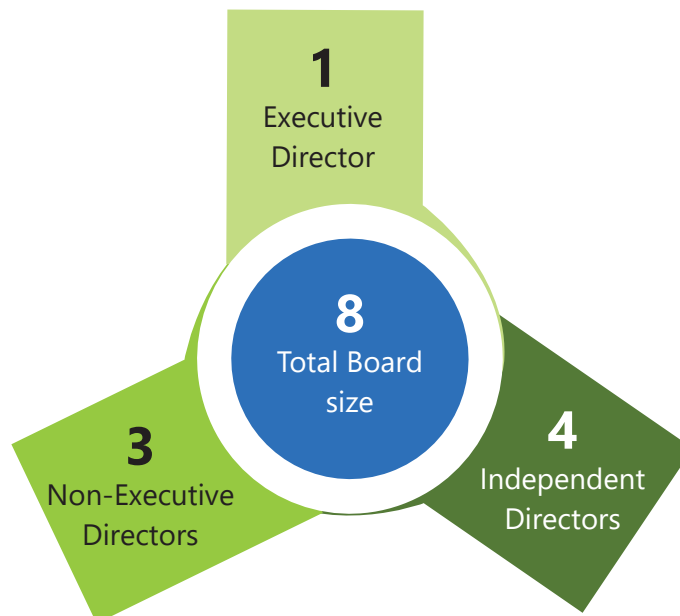
In India there are no sustainability taxonomies defined. However, for the FY 2022-23 we had followed the Indian Accounting Standards (IND AS) as notified by the Government of India. The Securities and Exchange Board of India has prescribed a framework for companies to disclose their sustainability performance i.e., Environment, Safety, Revenue, etc. in Business Responsibility and Sustainability Report ("BRSR") effective from

the FY 2022-23. Zydus Wellness has also published its sustainability disclosures as a part of the Annual Report for the FY 2022-23 which is available on the following link: www.zyduswellness.com/investor/Annual%20Report%202022-23.pdf on page no. 73 to 109 – BRSR.

The Company has also obtained Independent Limited Assurance on Principle 6 (Business should

respect and make efforts to protect and restore the environment) of BRSR. The Limited Assurance Statement is available on the following link: www.zyduswellness.com/investor/Annual%20Report%202022-23.pdf on page no. 108 to 109.

Board of Directors: One-Tier system



Corporate Governance

Particular	Indicators/Measures
CEO and Chairperson	Role of the CEO and the Chairperson is split and the Chairperson is a Non-Executive and Non-Independent Director.
Board Independence Statement	Definition of 'Independent Directors' is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (LODR) Regulations, 2015. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Directors and on evaluation of the relationships disclosed, the Board of Directors takes on record, after undertaking due assessment of the veracity of the same.
Board Independence Target Share	Minimum 50% Independent Directors on the Board
Board Gender Diversity	Woman director: Ms. Dharmishtaben N. Raval Board Diversity Policy: www.zyduswellness.com/investor/board-diversity-policy-feb-23.pdf
Average Board Meeting Attendance in FY 2022-23	90.6%
Minimum of attendance for all members required, at least (in %)	All directors endeavor to attend at least 75% of Board meetings in a financial year.
Average tenure of Board members	8 Years
Board Mandates: Number of other mandates of the Board of directors/supervisory board members. This only applies to non-executive and independent directors, not executive directors, or employee representatives.	Number of non-executive/ independent directors with 4 or less other mandates: 4 <ul style="list-style-type: none"> • Mr. Kulin S. Lalbhai, • Mr. Srivishnu R. Nandyala, • Ms. Dharmishtaben N. Raval, • Mr. Akhil A. Monappa* Number of other mandates for non-executive/ independent directors restricted to 6. * Mr. Akhil A. Monappa was appointed w.e.f. May 17, 2023, as an Independent Director.

Board Independence criteria

Name of the Directors:

- A. Ms. Dharmishtaben N. Raval
- B. Mr. Srivishnu R. Nandyala
- C. Mr. Kulin S. Lalbhai
- D. Mr. Akhil A. Monappa*
- E. Mr. Savyasachi S. Sengupta**

Topic	Board Independence Criteria	Refer details provided above for Name of Directors:				
		A	B	C	D	E
Past employment with the Company	The Director is not employed by the Company in an executive capacity within the last five year.	✓	✓	✓	✓	✓
Family Member	The Director is not a "Family Member" of an individual who is, or during the past three years was employed by the Company or by any parent or subsidiary of the Company as an executive officer.	✓	✓	✓	✓	✓
Consultant or Advisor	The Director is not an adviser or consultant to the Company or a member of the Company's senior management.	✓	✓	✓	✓	✓
Customer or Supplier	The Director is not affiliated with a significant customer or supplier of the Company.	✓	✓	✓	✓	✓
Personal Service Contract	The Director does not have personal services contract(s) with the Company or a member of the Company's senior management.	✓	✓	✓	✓	✓
Not-for-Profit Entity	The Director is not affiliated with a not-for-profit entity that receives significant contributions from the Company.	✓	✓	✓	✓	✓
Auditor – Partner or an Employee	The Director is not a partner or employee of the Company's statutory auditor during the past three years	✓	✓	✓	✓	✓
Business Relationship – Payment from Company	The Director does not accept or have a Family Member who accepts any payments from the Company or any parent or subsidiary of the Company	✓	✓	✓	✓	✓
Any other conflict of interest	The Director does not have any other conflict of interest that the Board itself determines to mean they cannot be considered independent.	✓	✓	✓	✓	✓

* Mr. Akhil A. Monappa was appointed w.e.f. May 17, 2023, as an Independent Director.

** Mr. Savyasachi S. Sengupta's term completed as an Independent Director w.e.f. close of business hours of November 1, 2023.

Board Effectiveness

Particular	Indicators/Measures
<p>Board Performance Review: Performance assessment of Board of directors/ supervisory board members.</p>	<p>During the year, the Nomination and Remuneration Committee ("NRC") / Board have carried out evaluation of its own performance and the performance of the committees of the Board, Independent Directors, Directors, and the Chairman of the Board. The Board has evaluated the composition of the Board, its committees, experience and expertise, performance of specific duties and obligations, governance matters, etc. with an aim to improve their effectiveness.</p>
<p>Board Election Process</p>	<p>Board Members are re-elected on an annual basis by rotation, except Independent Directors and Nominee Director.</p> <p>Board Election Process: The Company being listed on the stock exchanges, is bound to follow the regulations stipulated under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. As per Section 149(11) of the Companies Act, 2013, "No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director: Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly." Therefore, all the Independent Directors are appointed for a fixed term as per the prevailing regulations.</p> <p>Board members are elected individually (as opposed to elect by slate).</p>

Board Industry Experience

Particular	Indicators/Measures
<p>Number of independent or non-executive members with industry experience (e.g., excludes executives):</p>	5
<p>Please list the independent or non-executive directors included in the above count:</p>	<ul style="list-style-type: none"> • Dr. Sharvil P. Patel • Mr. Ganesh N. Nayak • Mr. Srivishnu R. Nandyala • Mr. Kulin S. Lalbhai • Mr. Savyasachi S. Sengupta

Board Skills Matrix

Skills	Dr. Sharvil P. Patel	Mr. Tarun Arora	Mr. Ganesh N. Nayak	Ms. Dharmishtaben N. Raval	Mr. Srivishnu R. Nandyala	Mr. Savyasachi S. Sengupta*	Mr. Kulin S. Lalbhai	Mr. Ashish P. Bhargava	Mr. Akhil A. Monappa**
Industry Experience	✓	✓	✓	X	✓	✓	✓	✓	X
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Information Technology / Cybersecurity	✓	✓	X	X	✓	X	✓	✓	✓
ESG & Sustainability	✓	✓	✓	✓	X	X	✓	✓	✓
Corporate Governance & Law	✓	✓	✓	✓	✓	✓	✓	✓	✓
Marketing & Communications	✓	✓	✓	X	✓	✓	✓	✓	X
Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business Management Strategy & Leadership	✓	✓	✓	X	✓	✓	✓	✓	✓
Human Resource	✓	✓	✓	X	✓	✓	✓	✓	X
Manufacturing	✓	✓	✓	X	X	✓	✓	✓	X

* Mr. Savyasachi S. Sengupta's term completed as an Independent Director w.e.f. close of business hours of November 1, 2023.

** Mr. Akhil A. Monappa was appointed w.e.f. May 17, 2023, as an Independent Director.

CEO Compensation – Success metrics

CEO compensation is a multifaceted framework that encompasses various financial metrics, ensuring a comprehensive evaluation of executive performance. It considers the Revenue (top-line growth) and bottom-line performance in the form of Earnings before depreciation, Interest and tax (EBITDA) and Profit after Tax (PAT), providing a direct measure of the effectiveness of capital utilization and the generation of shareholder value. Additionally, variable pay is one of the major components of total pay. The above metrics reflect the Company's overall financial health, its ability to drive revenue growth, and the efficiency of its operations. Beyond these, individual Key Performance Indicators (KPIs) of quantitative and qualitative aspects of the business, tailoring compensation to specific objectives and responsibilities. This holistic approach aligns CEO compensation with both the broader financial success of the organization and the individual contributions and achievements of the CEO, creating a balanced and performance-driven incentive structure.

Board Age Diversity

Particular	Indicators/Measures
Average Age	55 years
Age Diversity: 30-39 years	12.5%
Age Diversity: 40-49 years	25.0%
Age Diversity: 50-59 years	25.0%
Age Diversity: 60-69 years	37.5%

Management Ownership

Position	Name(s)	Multiple of base salary
Chief Executive Officer	Mr. Tarun Arora	0.11
Average across other executive committee members owning shares	Mr. Umesh Parikh, Mr. Manish Joshi, Mr. Manoj Kothari and Mr. Himanshu Pandey	0.06

Note: Due to stringent Insider Trading Regulations, the Company has taken conscious decision to not have management ownership requirements. As ESOP's are not issued, management ownership is lower than it would be in a Company with an ESOP's issued.

CEO-to-Employee Pay Ratio

Particular	
CEO Compensation	₹ 125.42 Lakhs *
Median annual employee compensation (Except CEO)	₹ 5.40 Lakhs
Ratio of CEO to the median remuneration of the employee	23.23

* CEO was also paid remuneration of ₹ 449.32 Lakhs from Zydus Wellness Products Limited, a wholly-owned subsidiary Company.

Government Ownership

No governmental institutions own more than 5% of the total voting rights of the Company. Refer shareholding pattern of the Company as on March 31, 2023 in the Annual Report on page no. 66 at <https://www.zyduswellness.com/investor/Annual%20Report%202022-23.pdf>

Family Ownership

Founding individuals / family members owns more than 5% of total voting rights of the Company as on March 31, 2023, as under:

Name of Shareholders	No. of shares held	% of shareholding
Zydus Lifesciences Limited	3,66,47,509	57.59%
Zydus Family Trust	56,27,573	8.84%
Pripan Investment Private Limited	640	0.00%
Mr. Pankajbhai Ramanbhai Patel	1,599	0.00%
Pankajbhai Ramanbhai Patel (HUF)	1,066	0.00%
Mrs. Pritiben Pankajbhai Patel	533	0.00%
Dr. Sharvil Pankajbhai Patel	533	0.00%
Mrs. Shivani Pankajbhai Patel	533	0.00%
Pankaj Ramanbhai Patel (Taraben Patel Family will Trust)	533	0.00%

Note: Zydus Family trust is holding 74.96% equity shares of Zydus Lifesciences Limited and Zydus Lifesciences Limited is holding 57.59% equity shares of the Company. Trustees of Zydus Family trust are Mr. Pankajbhai Ramanbhai Patel, Mrs. Pritiben Pankajbhai Patel and Dr. Sharvil Pankajbhai Patel. Therefore, Zydus Family Trust through their holding in Zydus Lifesciences Limited indirectly holds 43.17% equity shares of the Company.

Adding to the above, members of the Zydus family through individual holding, HUF holding and Trust (directly and indirectly) holding owns ~ 52% of voting rights of the Company.

Refer page no. 66 of the Annual Report for more details at <https://www.zyduswellness.com/investor/Annual%20Report%202022-23.pdf>

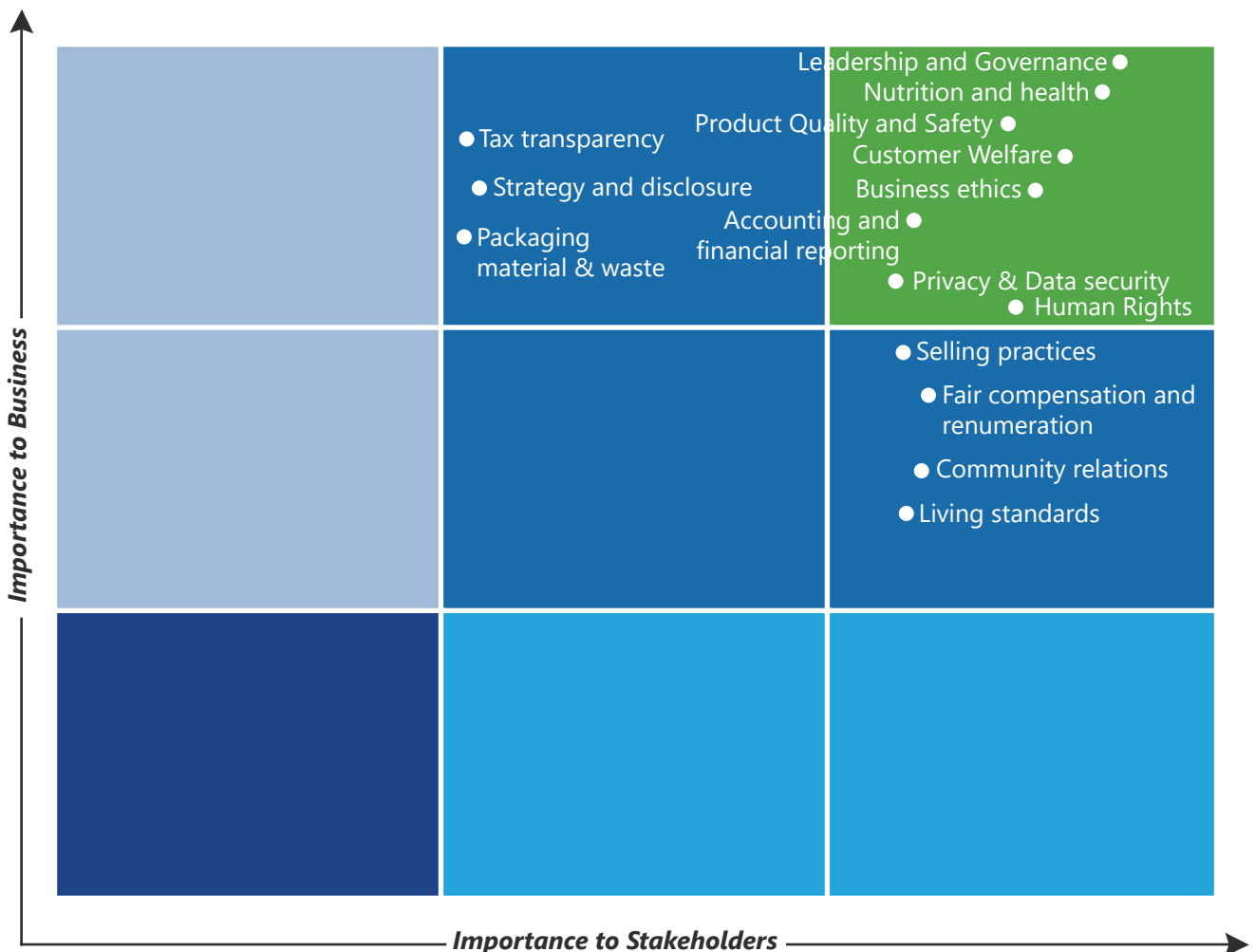
Materiality Analysis

Last materiality analysis conducted/ reviewed in	FY 2021-22
Frequency of conducting materiality assessment	Every 2 years
Involvement of external stakeholders in identifying material issues	✓
Materiality assessment integrated in company's ERM process	✓
Material Issues are prioritized in a materiality matrix	✓
Materiality assessment results signed off by Board of Directors and Senior Management	✓

Materiality Matrix

The Material Topics Identified by our stakeholders:

One of the steppingstones for the ESG journey of an organization is identifying topics that are most "Material" for the business and our stakeholders. Identification of these topics helps in the creation of the ESG roadmap. The Materiality Assessment also aligns with the requirement of the ESG reporting standards. For arriving at a set of material topics, onto which the relative importance (Materiality) was to be assessed across stakeholder groups, we first reviewed the material topics considered by our peer Companies. We also studied the Fast Moving Consumer Goods (FMCG) sector specific material topics suggested by Sustainability Accounting Standards Board (SASB) and Morgan Stanley Capital International (MSCI). In discussion with the management, we selected 36 material topics. Post identification of the potential topics, a questionnaire was developed for administering to the key stakeholder groups across the organization. A total of 512 responses were received, of which 19 were from the Senior Management. Our analysis of the relative importance of responses (topics) indicates the top 15 material topics were: product quality and safety, leadership and governance, human rights, selling practices, accounting and financial reporting, sustainability, packaging material and waste, fair compensation and remuneration, business ethics and culture, nutrition and health, privacy and data security, community relations, living standards, tax transparency and consumer welfare.



Top Stakeholder Themes:

These issues are of the greatest importance to both internal and external stakeholders. An effective and externally visible management response to these issues is vital for long-term business success.

Issues in Focus:

These issues are of medium to high importance to stakeholders and to Zydus Wellness. We will continue to ensure an effective and externally visible management response to these issues

Monitoring Issues:

Whilst these issues may not be top priorities, we continue to consider them important to secure our license to operate.

Maintain focus:

These issues are of high importance to stakeholders but low impact on the business. Zydus Wellness will continue to review and monitor these issues, with appropriate reporting on our management approach

High potential themes

Though these issues might not be stakeholder priorities, we consider them relevant and will continue to report the progress we make on these themes.

The definitions used for the material topics were:

1. Leadership and Governance

The impact that the company's corporate governance and business ethics practices have on investors.

2. Nutrition and Health

Companies are evaluated on the nutritional content of their food products and their efforts to introduce products with an improved nutritional or health profile. Companies should take care of the communities around their factories through a holistic approach of addressing malnutrition.

3. Product Quality and Safety

Company's exposure to possible recall or product safety concerns, the strength of our supply chain and sourcing systems, quality management efforts in manufacturing and responsible marketing practices.

4. Consumer Welfare

Companies should be able to distinguish themselves as market leaders and the most preferred consumer brand by establishing strong market connections and building legacy brands that ensure customer welfare.

5. Business ethics and culture

Company's evaluation, oversight and management of issues related to business ethics such as fraud, executive misconduct, corrupt practices, money laundering, or anti-trust violations.

6. Accounting and Financial Reporting

Transparency, independence and effectiveness of the company's audit and financial reporting practices.

7. Privacy & Data Security

Companies are evaluated on the amount of personal data they collect, their exposure to evolving or increasing privacy regulations, their vulnerability to potential data breaches, and their systems for protecting personal data.

8. Human Rights

Efforts to ensure that no human rights violations occur throughout the supply chain.

9. Selling Practices

Providing the consumers with correct information about the company's products such as ingredients, nutritional content, product safety, health and environmental impacts.

10. Fair compensation and remuneration

Alignment between the Company's compensation and other incentive practices and corporate strategy.

11. Community Relations

Company's management of local and community relations, policies and practices on conflict, human rights, and efforts to extend benefits to local communities.

12. Living Standards

Ensuring everyone who depends on the company has enough to provide for their basic needs and have a decent standard of living, for example equal remuneration, and sustainable livelihoods for smallholder farmers and small-scale retailers.

13. Tax Transparency

Companies are evaluated on their estimated corporate tax gap (i.e. the gap between estimated effective tax rate and estimated corporate income tax rate), revenue reporting transparency and their involvement in tax-related controversies.

14. Strategy and disclosure (Sustainability)

Embedding sustainability within the company's business strategy and disclosing its performance to stakeholders.

15. Packaging Material and Waste

Company's production of or reliance upon packaging materials, their potential exposure to waste management and packaging regulations and their efforts to reduce the environmental impact of packaging materials.

Material issues for enterprise value creation

Particulars	Material Issue 1	Material issue 2	Material issue 3	Material Issue 4
Material Risk or Opportunity	Plastic & Waste Management	Energy & Emissions	Diversity & Inclusion	Water
Business Case	<p>As a Company operating in the food and wellness industry, the packaging of our products plays a significant role in ensuring product safety and quality. However, the indiscriminate use of plastic packaging can contribute to environmental pollution and harm ecosystems. Moreover, consumers are increasingly concerned about plastic waste and its impact on the environment. Therefore, addressing plastic packaging and waste management aligns with Zydus Wellness's commitment to sustainability and social responsibility, helping to mitigate reputational risks, meet regulatory requirements, and meet the evolving expectations of environmentally conscious consumers. It also presents opportunities for innovation in packaging materials and recycling initiatives that can lead to long-term cost savings and operational efficiency.</p>	<p>Energy & Emissions management holds paramount importance for Zydus Wellness, given its direct correlation to the Company's business performance and long-term sustainability. By actively managing energy consumption and reducing emissions, we can not only minimize operational costs but also strengthen its competitive position in an increasingly environmentally conscious market. Effective energy management practices, such as the adoption of energy-efficient technologies and renewable energy sources, can lead to substantial cost savings through reduced energy expenditure and streamlined operational processes.</p> <p>Additionally, by mitigating emissions, the Company can proactively manage regulatory risks and potential penalties associated with non-compliance, safeguarding its reputation and brand image. Furthermore, emphasizing sustainability initiatives and showcasing a commitment to reducing environmental impact can appeal to a growing segment of environmentally conscious consumers, potentially leading to enhanced market penetration and revenue generation. By prioritizing effective energy and emissions management, we can demonstrate its commitment to sustainable business practices, thereby fostering long-term business resilience and financial performance.</p>	<p>Diversity and inclusion (D & I) hold critical significance for us, as they are directly linked to the company's overarching performance and financial success. By fostering a diverse and inclusive workplace, Zydus Wellness can harness a multitude of perspectives and experiences, leading to enhanced innovation and creativity in product development and marketing strategies.</p> <p>Furthermore, an inclusive environment encourages employee engagement and satisfaction, which can result in improved productivity, reduced turnover, and ultimately, cost savings associated with recruitment and training. Embracing D & I also serves to mitigate operational risks, as it fosters a culture of respect and understanding, thereby minimizing potential legal and reputational risks. By prioritizing diversity and inclusion, Zydus Wellness can effectively tap into a wider talent pool, foster a more positive brand image, and create products and services that resonate with a broader customer base, ultimately leading to sustained business growth and improved financial performance.</p>	<p>This growing water scarcity poses potential challenges to our operations in several ways considering all our plants are in designated water stress areas. Firstly, it may lead to a reduced demand for products that consume significant amount of water during their use by consumers.</p> <p>Secondly, it could result in decreased sales, as water shortages may affect the effectiveness of our products. Additionally, the uncertainty surrounding the timing and severity of seasons may have adverse impacts on our business.</p>

Particular	Material Issue 1	Material issue 2	Material issue 3	Material Issue 4
Business Impact	Cost	Risk	Revenue	Risk
Business strategies	<p>We work with Government approved waste collection agencies and recyclers to meet and exceed our EPR commitments. In FY 2022-23, we collected and recycled 2088.168 MT of post-consumer plastic waste from Pan India. As a goal for next 3 years starting from FY 2023-24, we have targeted reduction of packaging material by 1,000 tons. Projects for the same have been undertaken in Nycil bottles, Sugarfree powder concentrate bottle and cap, Complian Carton & Corrugated box.</p> <p>Use of fully recyclable packaging material: We have targeted a move from multi material packaging material (category 3) to multi-layer plastic material (category 2) to fully recyclable material by 2027. This year we are working on moving aluminum based plastic laminates to all plastic laminates for Glucon D sachet.</p> <p>Use of recycled material: We are testing the use of Post-Consumer Recycled material as prescribed in the Plastic Waste Management Act in product categories where it is allowed to be used. Everyuth body lotion is being tested in PCR based containers for use of PCR material.</p>	<ol style="list-style-type: none"> 15% emission reduction by the FY 2028-29 vs the base FY 2021-22. 15% renewable energy increase by the FY 2028-29 vs the base FY 2021-22. 20% reduction in energy intensity by the FY 2028-29 vs the base FY 2021-22. <p>These targets have been taken by adopting following measures:</p> <ol style="list-style-type: none"> Increase in the solar power usage. Enhancement of energy efficiency through technology. Move to the greener fuel in our operations to the extent possible. 	<p>Zydu Wellness has implemented a range of business strategies to address the critical issue of Diversity and Inclusion. The company has established a comprehensive diversity recruitment program aimed at attracting and retaining a diverse talent pool across various levels of the organization. This initiative ensures that hiring practices are inclusive and reflect a wide spectrum of backgrounds and perspectives. Additionally, Zydu Wellness has recently launched training and development programs that promote cultural awareness, sensitivity, and inclusivity among employees, fostering a workplace culture that values and respects differences. These initiatives collectively work towards creating a more inclusive and supportive work environment, thereby nurturing a diverse workforce that contributes to the company's overall success and growth. We foster an inclusive environment that champions equal opportunity and embraces diversity in all its forms.</p>	<p>Effective water management is crucial to ensure the long-term sustainability of our operations. All our plants rely on both freshwater and recycled water to carry out operations. We have conducted water risk assessment for all our manufacturing locations using the WRI tool and are in the process by formulating strategies for the regions with high water risk. The results of the analysis were extremely high (4-5) for plants at Ahmedabad & Aligarh and Medium to High (2-3) for the plants at Sikkim. Accordingly, as part of our interventions, the Ahmedabad plant now uses water from the Narmada River instead of ground water. Given that the plant has an average water requirement of 40-70 Kilo Litre per day, the shift in water source is a critical step towards reducing dependency on ground water. The Sikkim plant uses surface water from nearby springs & the Aligarh plant utilizes ground water through dedicated borewells. For the Aligarh plant, we have carried out a detailed water impact assessment, shared the same with local authorities & ensure to consume water well within the limits defined. We target 15% reduction in water intensity by the FY 2028-29 vs the base FY 2021-22.</p> <p>The conversion of the Sikkim plant into a Zero Liquid Discharge is underway and expected to be completed by FY 2023-24.</p> <p>In Feb'23, Ahmedabad plant has achieved 100% Zero liquid discharge.</p>

Materiality Metrics for enterprise value creation

Sr. No.	Material issues	Target/Metric	Target Year	Progress
1.	Plastic & Waste Management	<ul style="list-style-type: none"> We target to continue collecting and process plastic that we sell. Starting from FY 2023-24, we have targeted reduction of packaging material by 1,000 tons by 2027. Projects for the same have been undertaken in Nycil bottles, Sugarfree powder concentrate bottle and cap, Complian Carton and Corrugated box. Use of fully recyclable packaging material: We have targeted a move from multi material packaging material (category 3) to multi-layer plastic material (category 2) to fully recyclable material by 2027. This year we are working on moving aluminium based plastic laminates to all plastic laminates for Glucon-D sachet. 	FY 2023-24	<p>Plastic waste generated has reduced from 693.68 metric tonnes in the FY 2021-22 to 660.37 metric tonnes in the FY 2022-23.</p> <p>Waste generated is recycled from 1,131.82 metric tonnes in the FY 2021-22 to 836.73 metric tonnes in the FY 2022-23.</p> <p>Limited assurance has been carried out by external agency.</p>
<p>Refer page number 100 of BRSR for more details at www.zyduswellness.com/investor/Annual%20Report%202022-23.pdf</p>				
2	Energy and Emissions	<ul style="list-style-type: none"> 15% emission reduction by the FY 2028-29 vs the base FY 2021-22. 15% increase in renewable energy by the FY 2028-29 vs the base FY 2021-22. 20% reduction in energy intensity by the FY 2028-29 vs the base FY 2021-22. Aligarh Plant converging to Solar power from the FY 2025-26. 	<p>FY 2028-29</p> <p>FY 2025-26</p>	<p>Our energy intensity basis turnover (Energy consumed/ turnover in Lakhs) reduced from 2.31 in the FY 21-22 to 2.04 in the FY 2022-23.</p> <p>Our scope 1 & 2 emissions intensity basis turnover (Scope 1+2 emissions/ turnover in Lakhs) reduced from 0.11 in the FY 2021-22 to 0.06 in the FY 2022-23.</p> <p>Limited assurance has been carried out by external agency.</p>

Sr. No.	Material issues	Target/Metric	Target Year	Progress
	Refer page number 39 of BRSR at the link for more details: www.zyduswellness.com/investor/Annual%20Report%202022-23.pdf			
3	Diversity Equity & Inclusion	We foster an inclusive environment that champions equal opportunity and embraces diversity in all its forms.	-	Total female employees have increased by 7% in the FY 2022-23 (no. of female employees: 44) vs. the FY 2021-22 (no. of female employees: 41).
	Refer page number 86 to 89, 95 and 96 of BRSR on category wise measures for well-being of workforce, trainings, performance and career development reviews of workforce at www.zyduswellness.com/investor/Annual%20Report%202022-23.pdf			
4	Water	<ul style="list-style-type: none"> • 15% reduction in water intensity by the FY 2028-29 vs the base FY 2021-22. • Sikkim plant to be converted into Zero Liquid Discharge (ZLD) in the FY 2023-24. • In the FY 2022-23, Ahmedabad plant has achieved 100% Zero liquid discharge. 	FY 2028-29	Our water intensity basis turnover (water consumed/ turnover in Lakhs) reduced from 2.20 in the FY 2021-22 to 1.75 in the FY 2022-23.
	Refer page number 98, 101 and 102 of BRSR for more details at https://www.zyduswellness.com/investor/Annual%20Report%202022-23.pdf			

Material issues for external stakeholders

Category	Impact 1	Impact 2	Impact 3
	Social	Environmental	Environmental
Material Issue for External Stakeholders	Employee health and safety	Water	Air Emissions
Type of Impact (Positive/ Negative)	Positive	Positive	Positive
Cause of the Impact	Operations Supply Chain	Operations Supply Chain	Operations Supply Chain
Business Activity Coverage	>50% of the business activity	>50% of the business activity	>50% of the business activity
External stakeholder(s)/ impact area(s) evaluated	External Employees (e.g. 3rd party contractors, supply chain employees, Society)	Environment Society	Environment Society
Topic relevance on external stakeholders	As an organization, we recognize that employee health and safety is of utmost importance to our external societal stakeholders. This is because it aligns with their expectations of social responsibility, legal compliance requirements, SDGs, and supply chain resilience. Prioritizing the well-being of employees has allowed us to cultivate a favorable work environment, improve our reputation, reduce legal liabilities, and establish more robust connections with the stakeholders.	The 2030 Water Resources Group has projected that by the year 2030, India will likely have access to only half of the water required for agricultural, household, and industrial purposes. The country has 18% of the world's population, but only 4% of its water resources, making it among the most water-stressed in the world. Thus, water scarcity is a very material topic for external stakeholders too.	Air Emissions have wide-reaching consequences that affect not only the environment but also compliance, stakeholder expectations, as well as the well-being and quality of life for communities, making it a matter of significant concern and interest for all stakeholders - internal & external.

Material metrics for external stakeholders

Particulars	Impact 1	Impact 2	Impact 3
Material Issue for External Stakeholders	Employee health and safety	Water	Energy & Emissions
Output Metric	Zero fatalities	Reduction in water intensity	Reduction in emissions intensity (GHG, NOx, Sox, etc.)
Impact Valuation	Health costs caused/ avoided	Environmental value lost/ gained	Environmental value lost/ gained
Impact Metric	No. of fatalities	KL of water consumed	Metric tons of CO2e emitted

Risk Governance

Particulars	Name and Position	Reporting Line
Highest ranking person with dedicated risk management responsibility on an operational level (not CEO)	Mr. Umesh V. Parikh, CFO and Head IT	Risk management Committee
Highest ranking person with responsibility for monitoring and auditing risk management performance on an operational level (not CEO)	Mr. Umesh V. Parikh, CFO and Head IT Ernst and Young LLP, Internal Auditors	Audit Committee
Number of Non-executive members of Board of Directors/ supervisory board with expertise in Enterprise Risk Management.	<ul style="list-style-type: none"> • Dr. Sharvil P. Patel, • Mr. Ganesh N. Nayak • Ms. Dharmishtaben N. Raval • Mr. Srivishnu R. Nandyala • Mr. Kulin S. Lalbhai • Mr. Savyasachi S. Sengupta* • Mr. Akhil A. Monappa** 	
Training & Awareness	The Board of Directors are educated on risk management practices and the risks faced by the industry in general and the Company during the familiarization program on an annual basis. Further, detailed discussions and sessions are taken up during the Risk Management Committee meeting with a quarterly update to the Board.	

* Mr. Savyasachi S. Sengupta's term completed as an Independent Director w.e.f. close of business hours of November 1, 2023.

** Mr. Akhil A. Monappa was appointed w.e.f. May 17, 2023, as an Independent Director.

Emerging Risks

Particulars	Emerging Risk 1	Emerging Risk 2	Emerging Risk 3
Name of the risk	Data Privacy & Cybersecurity	Plastic & Product packaging	Water Stress
Category	Technological	Environmental	Environmental
Description	While the adoption of digitized systems accelerated since the start of this decade, the pandemic, and the related changes in methods of remote working have further sped up the adoption of digital systems across organizations. Remote access to the Company network also leads to risks and vulnerabilities for breaches and cyber threats. The increased traction in and use of AI also leads to risks which are ever evolving.	Plastic and Product packagings are increasingly emerging as significant risks for Fast Moving Consumer Goods (FMCG) companies. The widespread use of plastic packaging has raised environmental concerns due to its non-biodegradable nature and the resulting pollution of ecosystems. As consumers & regulators become more environmentally conscious, there is growing pressure on FMCG companies to reduce their plastic & waste footprint.	The 2030 Water Resources Group has projected that by the year 2030, India will likely have access to only half of the water required for agricultural, household, and industrial purposes.
Impact	If not managed and monitored on an ongoing basis, these threats can lead to loss of personally identifiable information, confidential data, intellectual property, other sensitive data, and so on. These can attract significant fines and settlements and also affect the reputation of the Company. We are aware that any attack on the system of the Company or datasets could lead to loss of critical business information, financial loss, reputational loss, infringement of human rights (in case of personal data) and would draw regulatory sanctions.	<p>Environmental Impact: Excessive plastic usage contributes to the plastic waste, which can end up in landfills and oceans, harming wildlife and ecosystems. It can lead to negative public perceptions of brands associated with excessive plastic packaging.</p> <p>Regulatory Changes: The regulatory environment with respect to plastic packaging and responsibly disposing packaging & plastic waste is constantly evolving. Failure to comply with regulations/ commitments on plastic packaging & recovery/ recycling of the same may result in penalties.</p> <p>Consumer Preferences: Consumer preferences are shifting towards eco-friendly and sustainable products with minimal or recyclable packaging. Companies that do not adopt to these preferences risk losing market share.</p> <p>Reputation Risk: Brands that do not adopt sustainable packaging practices may face reputational damage, leading to decreased consumer trust and loyalty.</p> <p>Supply Chain Disruptions: Sourcing sustainable packaging materials can be challenging and may lead to supply chain disruptions or increased costs.</p> <p>Market Competition: Companies that proactively address plastic and packaging sustainability may gain a competitive edge, while those that lag could face market disadvantages.</p>	This growing water scarcity poses potential challenges to our operations in several ways considering all our plants are in designated water stressed areas. Firstly, it may lead to a reduced demand for products that consume significant amount of water during their use by consumers. Secondly, it could result in decreased sales, as water shortages may affect the effectiveness of our products. Additionally, the uncertainty surrounding the timing and severity of seasons may have adverse impacts on our business.

Particular	Emerging Risk 1	Emerging Risk 2	Emerging Risk 3
<p>Mitigation Actions</p>	<p>The Company follows the cybersecurity protocols implemented across the Zydus Group. We have recently updated our cybersecurity policy. Information Security Management Systems (ISMS) are currently being implemented across the Group. In the evolving business landscape, we will continue to monitor and scan for cybersecurity threats and eliminate them. Below are some of the steps taken to ensure data privacy & cyber security:</p> <ol style="list-style-type: none"> 1. Maintain a robust system for the control & reporting of access to our critical IT systems. 2. Use of firewalls, anti-virus and threat warning systems. 3. Policies covering the protection of both business and personal information, as well as the use of IT systems and applications by our employees. 4. Training to employees on IT policies, security standards and leading practices. 5. Implementation of backup, alternate site, disaster recovery and business continuity plans. 6. Use of web internet gateways. 7. Working to obtain ISO 27001 certification. 	<p>We work with the Government approved waste collection agencies and recyclers to meet and exceed our EPR commitments. In the FY 2022-23, we collected and recycled 2088.168 MT of post-consumer plastic waste Pan India.</p> <p>As a goal for the next 3 years starting from the FY 2023-24, we have targeted reduction of packaging material by 1,000 tons. Projects for the same have been undertaken in Nycil bottles, Sugarfree powder concentrate bottle and cap, Complian Carton & Corrugated box.</p> <p>Use of fully recyclable packaging material: We have targeted a move from multi material packaging material (category 3) to multi-layer plastic material (category 2) to fully recyclable material by 2027. This year we are working on moving aluminum based plastic laminates to all plastic laminates for Glucon-D sachet.</p> <p>Use of recycled material: We are testing the use of PCR material as prescribed in the PWM Act in product categories where it is allowed to be used. Everyuth body lotion is being tested in PCR based containers for use of PCR material.</p>	<p>Effective water management is crucial to ensure the long-term sustainability of our operations. All our plants rely on both freshwater and recycled water to carry out operations. We have conducted water risk assessment for all our manufacturing locations using the WRI tool and are in the process by formulating strategies for the regions with high water risk. The results of the analysis were extremely high (4-5) for plants at Ahmedabad & Aligarh and Medium to High (2-3) for the plants at Sikkim. Accordingly, as part of our interventions, the Ahmedabad plant now uses water from the Narmada river instead of ground water. Given that the plant has an average water requirement of 40-70 kilo liter per day, the shift in water source is a critical step towards reducing dependency on ground water. The Sikkim plants uses surface water from nearby springs and the Aligarh plant utilizes ground water through dedicated borewells. For the Aligarh plant, we have carried out a detailed water impact assessment, shared the same with local authorities and ensure to consume water well within the limits defined</p>

Code of Conduct: Systems/Procedures

Aspect:	Please provide supporting evidence for the aspect and indicate page numbers:
Responsibilities, accountabilities, and reporting lines are systemically defined in all divisions and group companies	www.zyduswellness.com/investor/code-of-business-conduct-and-ethics-policy.pdf https://www.zyduswellness.com/investor/Zydus%20Business%20Conduct%20Policy.pdf Page 1
Dedicated help desks, focal points, ombudsman, hotlines	www.zyduswellness.com/investor/whistle-blower-policy-revised-may-28-2019-final.pdf
Employee performance appraisal systems integrates compliance/codes of conduct	Refer Social section of this report at the below link https://www.zyduswellness.com/investor/1.%20PEAK.pdf
Disciplinary actions in case of breach, i.e. warning, dismissal, zero tolerance policy	https://www.zyduswellness.com/investor/whistle-blower-policy-revised-may-28-2019-final.pdf Page 4 & 5

Grievance Redressal Mechanism

Stakeholder Group	Grievance Redressal Mechanism in place (Yes/ No) (If yes, then web-link for grievance redress policy)	FY 2022-23	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Investors (Other than shareholders)	Yes. Investors can connect with us on 079-48040000 / 079-71800000 or send us an email at investorcommunication@zyduswellness.com	Nil	Nil
Shareholders	Yes. For lodgment of any documents or any grievances / complaints, members may contact the Company or Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company at 079-48040000 / 079-71800000 or 079-2646 5179 / 86 / 87 or email at investor.grievance@zyduswellness.com or ahmedabad@linkintime.co.in	9	Nil

Employees and Workers	<p>The company ensures that all the new joiners undergo an induction training for the business code of conduct and to align with the company's ethical standards</p> <p>Further the Company has established Vigil Mechanism and framed Whistle Blower Policy for Directors and employees, to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. Whistle Blower Policy is disclosed on the website at www.zyduswellness.com/investor/whistle-blower-policy-revised-may-28-2019-final.pdf</p>	Nil	Nil
Communities	<p>Yes, https://www.zyduswellness.com/investor/Human%20Rights%20Policy.pdf</p>	Nil	Nil
Customers	<p>The Company has a dedicated customer relationship cell to address customer related grievances. Customers can connect with us at 079-48040000 for feedback & queries or send us a mail at customercare@zyduswellness.com.</p> <p>* There is Nil consumer complaints on Data Privacy, Advertising, Cyber-security, Delivery of essential services, Restrictive trade practices, Unfair trade practices.</p>	1,196 *	Nil
Value Chain Partners	<p>Yes www.zyduswellness.com/investor/code-of-conduct-for-vendors-feb-2023.pdf</p>	Nil	Nil

Reporting on breaches

Reporting areas	Number of breaches in FY 2022-23
Corruption or Bribery	Nil
Discrimination or Harassment	Nil
Customer Privacy Data	Nil
Cybersecurity Breaches	Nil
Total number of clients, customers and employees affected by the breaches	Nil
Conflicts of Interest	Nil
Money Laundering or Insider trading	Nil

Anti-Bribery and Anti-Corruption Policy	www.zyduswellness.com/investor/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf
Non-Discrimination and Anti-Harassment policy	www.zyduswellness.com/investor/zwl-posh-policy-feb-20.pdf

Contributions and Expenditure

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Lobbying, interest representation or similar	Nil	Nil	Nil	Nil
Local, regional or national political campaigns/ candidates/ organizations	Nil	Nil	Nil	Nil
Trade associations or tax-exempt groups	Nil	Nil	Nil	Nil
Other spending related to ballot measure or referendums	Nil	Nil	Nil	Nil

Supplier ESG program

Environmental & social criteria are essential prerequisites in the procurement of materials, encompassing basic human rights, labour compliances, material quality specifications, necessary certifications for allocation and contract awards. These criteria hold particular significance in cases involving Tetra pack laminates, CBB Boxes, Mono-cartons, Glass etc. Suppliers who possess the required certifications, such as FSSAI license (mandatory for food suppliers), ISO 14001, Forest Stewardship Council, etc., and those who meet the required specifications, are given preference in the allocation and contract award process while those who do not achieve minimum requirements are excluded from contracting. The Executive Management of the Company diligently monitors and reviews the ESG agenda for sourcing on an ongoing basis. Training is provided to buyers & other internal stakeholders on roles & responsibilities around the supplier ESG program.

Supplier Risk Assessment criteria

We have a comprehensive supply risk assessment framework in place. We assess our Raw Material suppliers and third-party manufacturing facilities are also assessed on 94 checkpoints and Packaging Material suppliers on 183 checkpoints. This is followed by the gap assessment and action taken documentation. These criteria have been developed in consultation with the internal audit team and they do take note of assessments and actions taken reports during audits. Our supplier sustainability risk assessment criteria are as below:

- Quality Management
- Hygiene Management

- Risk Identification by the supplier
- Assessment of Production Facilities
- Specification and Process control
- Control on contamination & cross contamination
- Training
- Waste Management
- Pest control management
- Transportation and warehouse facilities
- Preventive maintenance services
- Alignment with supplier code of conduct

Incorporating risk criteria in the product development or approval process:

All our manufacturing and packaging sites have implemented a comprehensive risk assessment procedure covering a range of products.

The responsibility of overseeing this procedure lies with the Food Safety Team, with ultimate accountability resting with the Plant Manager.

The risk assessment process involves steps to identify, categorize, and mitigate hazards, supported by a risk/hazard analysis matrix that classifies risks based on likelihood and consequence. The hazard list for the site encompasses physical, chemical, microbiological, and allergen hazards, which are systematically evaluated to ensure the safety and quality of the products produced.

This procedure is a critical component of ensuring compliance with established quality standards and maintaining the safety of consumers.

Empowering local supplier:

Zydus Wellness has always been a supporter of "Made in India" initiatives. Towards this, we prefer domestic markets to fulfill our requirement for the raw materials of our products. In FY 2022-23 we procured 94% of our requirement from the domestic market. Our direct sourcing within the district where our plants are located stands at 55%. This also helps in reduction of our environmental footprint significantly. Currently 13% of our raw material and packing materials are sourced from MSMEs and we intend to further increase this share.

Supplier Engagement:

Our key practices and improvements on supplier engagements include:

- Annual engagement with suppliers:
 - » Email communications
 - » Telephonic discussions
 - » Virtual compliance assessments (focused on GST and TDS payments)
 - » Training programs to improve capability
- Milk supplier support:
 - » Regular visits to Milk shed facilities
 - » Technical assistance on cost control, delivery procedures and quality management
- Continuous improvement initiatives:
 - » Regular training for Carrying and Forwarding Agents as per the training calendar
 - » Supplier quality meetings at the start of each season
 - » Introduction of digital invoicing

Supplier Screening

Particulars	Indicators / Measures
Systematic supplier screening process	<p>We methodically evaluate our significant suppliers based on four critical dimensions:</p> <ul style="list-style-type: none"> ▪ Environment: We assess their impact on natural resources, energy consumption, waste generation, and carbon emissions. This includes an examination of their environmental policies, sustainability initiatives, and compliance with regulations. ▪ Social: We scrutinize labour practices, human rights, diversity, and community engagement. This involves a deep dive into labour standards, employee welfare, and their commitment to social responsibility within the communities they operate. ▪ Governance: Our evaluation addresses the integrity, transparency, and accountability of their management. We examine corporate governance structures, board composition, ethical standards, and any history of legal or regulatory violations. ▪ Business Relevance: We gauge their technological competence, product quality, and the extent to which their offerings meet our specific needs.
Aspects for Supplier screening	<ul style="list-style-type: none"> ▪ Environmental Impact: Assessing resource utilization, waste management, and adherence to environmental regulations. ▪ Social Responsibility: Evaluating Labour standards, diversity, human rights, and community involvement. ▪ Governance Integrity: Scrutinizing management's ethics, transparency, and accountability. ▪ Business Suitability: Measuring technological capability, product quality, and alignment with our requirements.

Risks considered in the screening process	<p>Our methodology extends beyond ESG risk assessments to incorporate:</p> <ul style="list-style-type: none"> ▪ Country-Specific Risk: Evaluating geopolitical stability, legal and regulatory environments, economic indicators, and social stability at the supplier's location, particularly emphasized for imported items. ▪ Sector-Specific Risk: Understanding industry-specific challenges and opportunities and assessing the supplier's preparedness to address them. ▪ Commodity-Specific Risk: Focusing on the raw materials and resources supplied, considering environmental, social, and ethical aspects tied to these commodities, such as deforestation.
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Supplier Assessment

Particulars	Indicators / Measures
Supplier assessments (desk or on-site) are carried out using standards and methodologies of a recognized industry or multi-stakeholder initiative.	<p>Our quality team undertook Internal audits in the FY 2022-23 for 25 of our critical suppliers, comprehensively evaluating them across a spectrum of essential criteria. These audits encompassed an in-depth examination of factors such as pest control management, the efficiency of transportation and warehouse facilities, the robustness of preventive maintenance services, the rigor of quality and hygiene management, the supplier's capability in risk identification, an assessment of their production facilities, meticulous scrutiny of specification and process control, vigilant control measures against contamination and cross-contamination, the adequacy of training programs, the effectiveness of waste management practices, pollution control, human rights, etc. This assessment process reaffirms our commitment to maintaining high standards of quality, safety, efficiency and ESG within our supplier network.</p> <p>Our Suppliers undergo tailored training on our company's ESG program, ensuring they grasp its specific requirements and processes. They receive ongoing guidance to adopt best practices, boosting their performance. We meticulously track corrective actions, collaborating with suppliers to implement necessary improvements promptly and effectively.</p>

KPI for Supplier screening

51	43	73%	160
Total number of Tier-1 suppliers	Total number of significant suppliers in Tier-1	% of total spend on significant suppliers in Tier-1	Total number of significant suppliers in Non-Tier-1
FY 2022-23			

KPI for Supplier Assessment & Development

Supplier Assessment	FY 2022-23	Target for the FY 2022-23
Total number of suppliers assessed via desk assessments/ on-site assessments	25	Number of suppliers: 20
% of significant suppliers assessed	12.3%	
% of total significant suppliers with substantial actual/ potential negative impacts with agreed corrective action/ improvement plan	1.48%	
Number of suppliers with substantial actual/potential negative impacts that were terminated	3	
Number of suppliers assessed with substantial actual/ potential negative impacts	3	

Corrective action plan support	FY 2022-23	Target for the FY 2022-23
Total number of suppliers supported in corrective action plan implementation	3	100% of significant suppliers assessed with substantial actual/ potential negative impacts.
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	100	

Capacity Building Programs	FY 2022-23	Target for the FY 2022-23
Total number of suppliers in capacity building programs	25	Number of suppliers: 20
% of significant suppliers in capacity building programs	12.3%	

Effective tax rate:

Link of detailed document: www.zyduswellness.com/investor/Annual%20Report%202022-23.pdf

Particulars	FY 2021-22	FY 2022-23	Page number reference of detailed document
Consolidated Earnings before Tax	₹ 30,602 Lakhs	₹ 29,086 Lakhs	Pg no. 171
Reported Tax expenses	₹ (285) Lakhs	₹ (1,951) Lakhs	Pg no. 206
Cumulative acceptable adjustments on account of: <ul style="list-style-type: none"> ▪ Effect of Non-taxable income ▪ Utilization of previously unrecognized tax losses ▪ Effect of differences in tax rate in standalone and consolidated financial statements ▪ Effect of other non-deductible expenses ▪ Others 	₹ (10,979) Lakhs	₹ (12,115) Lakhs	Pg no. 190 & 206
Effective Tax Rate (in %)	34.94 %	34.94 %	Pg no. 206
Average Tax Rate (in %)	34.94 %		
Cash Taxes Paid (net of refunds)	₹ 411 Lakhs	₹ 128 Lakhs	Pg no. 172
Cash Tax Rate to consolidated earnings before tax (in %)	1.34 %	0.44%	

Reason	Tax Impact FY 21-22	Tax Impact FY 22-23	Explanation
Effect of Non-taxable Income	₹ (97) Lakhs	₹ (22) Lakhs	Income not liable to tax as per the provisions of Income tax Act, 1961
Utilisation of previously unrecognised tax losses	₹ (4,440) Lakhs	-	Utilization of previous years' standalone losses eligible to be set off against current year's standalone income as per the provisions of Income tax Act, 1961
Effect of differences in tax rate in standalone and consolidated	₹ (215) Lakhs	₹ (755) Lakhs	Different group entities fall under different tax brackets leading to separate tax rates at standalone and consolidated level
Effect of unrecognised deferred tax assets/ liabilities	₹ (6,476) Lakhs	₹ (10,826) Lakhs	Recognition of Deferred Assets to extent it is probable that sufficient tax profits would be available to utilize such deferred tax assets, as per the provisions of Income Tax Act, 1961

Reason	Tax Impact FY 21-22	Tax Impact FY 22-23	Explanation
Effect of other non-deductible expenses	₹ 39 Lakhs	₹ (31) Lakhs	Expenditures disallowed by virtue of provisions of Income Tax Act, 1961
Others	₹ 210 Lakhs	₹ (481) Lakhs	-
Total	₹ (10,979) Lakhs	₹ (12,115) Lakhs	

Tax reporting:

Total Tax contribution

The entity in scope includes:

Parent Company:

Zydu Wellness Limited [India]

Subsidiary Companies:

Zydu Wellness Products Limited [India]
 Liva Nutritions Limited [India]
 Liva Investment Limited [India]
 Zydu Wellness International DMCC [Dubai]
 Zydu Wellness (BD) Pvt Limited. [Bangladesh]

Basis of preparation

The amounts reported below are the amounts paid (by way of cash/tax credits) by the Entities. The tax contribution in Bangladesh jurisdiction has been updated in Bangladeshi taka (BDT).

Our tax contribution consists of:-

Taxes borne: Respective country's own contribution to taxes that impact their results e.g. Corporate taxes computed as a basis of respective entity's taxable income

Taxes collected: Administered by the respective entities on behalf of government and collected from others e.g. TDS/TCS deducted/collected and paid to government treasury and GST paid.

Sr. No.	Country	Total Taxes borne (A)	Total Taxes Collected (B)	Total Taxes Contributed (A+B)
1.	India	-	₹ 20,495 Lakhs	₹ 20,495 Lakhs
2.	Bangladesh	BDT 8 Lakhs	BDT 33 Lakhs	BDT 41 Lakhs

For Financial Information:-

(₹ in lakhs)

Sr. No.	Country of Incorporation	Name of the Entity	Turnover & other Income from operations *	Profit /loss Before Taxation*	Provision for Taxation *	Profit/ (loss) after Taxation *
1.	India	Zydus Wellness Limited	25,148	4,717	(1,925)	6,642
2.	India	Zydus Wellness Products Limited	2,22,309	(13,525)	5,304	(8,221)
3.	India	Liva Nutritions Limited	-	(0)	(0)	(0)
4.	India	Liva Investment limited	1	1	-	1
5.	Dubai	Zydus Wellness International DMCC	5,595	(1,007)	-	(1,007)
6.	Bangladesh	Zydus Wellness (BD) Pvt Limited**	100	(21)	-	(21)

* Converted using average exchange rates prevailing during the year.

** The subsidiary is yet to commence commercial operations.

Refer the Annual Report page no. 218 for further details:

www.zyduswellness.com/investor/Annual%20Report%202022-23.pdf

Other Information:

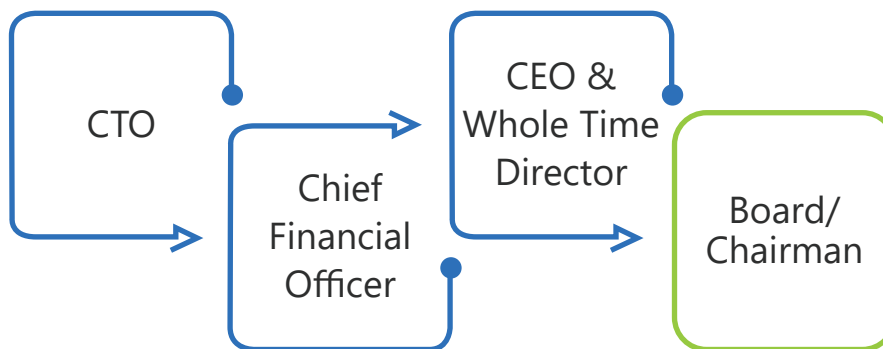
Tax Jurisdiction	Nature of activities in country	Average no. of Employees
India	Manufacturing and sale of FMCG products	964
Dubai	Trading, Manufacturing, and sale of FMCG products	4
Bangladesh	Trading of FMCG Products	7

IT Security/ Cyber security Governance:

Board Responsibility	Please indicate the Board member's membership in the committee which oversees cyber security strategy
Dr. Sharvil P. Patel, Chairman	Risk Management Committee

Executive Management Responsibility :

- Mr. Umesh Mittal - Chief Technology Officer (CTO)
- Relevant experience of 20+ years
- Reporting Structure



Product Recalls:

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Number of product lines for which products were recalled	Nil	Nil	Nil	Nil
Expenses incurred due to recalls issued in the corresponding fiscal year Currency	Nil	Nil	Nil	Nil

Environment

Message from Head of Manufacturing



Himanshu Pandey

Vice President,
Manufacturing
Zydus Wellness Limited

I take great pride in leading the team committed to crafting high-quality consumer goods, all while upholding our steadfast commitment to sustainability, responsibility, and excellence. Our manufacturing processes transcend mere efficiency; they mirror our profound dedication to ESG principles. In acknowledgment of the ever-evolving consumer landscape, we have embraced

an unwavering focus on environmental sustainability, ethical practices, and employee well-being.

Through our responsible manufacturing initiatives, our goal extends beyond meeting consumer needs; we strive to make a positive contribution to the world we inhabit. Our journey is rooted in the belief that Zydus Wellness can be a force for good, and together, we are resolute in our dedication to shaping a brighter and more sustainable future, one product at a time.

Our ongoing progress is marked by key initiatives:

Renewable Energy: We have recently committed to a 25-year deal to generate 2MW of solar power for our Aligarh plant, a significant step towards reducing our carbon footprint and promoting clean energy.

Certifications and Standards: We are actively pursuing ISO 45001 and ISO 14001 certifications for our Aligarh plant, demonstrating our

commitment to occupational health and safety, as well as environmental management.

These milestones are indicative of our continuous efforts to align our operations with the highest standards of responsibility, environmental stewardship, and operational excellence. We remain dedicated to fostering positive change and creating a sustainable future, and we invite you to join us on this transformative journey.

Sustainability Reporting Assurance

Assurance statement on third-party verification of sustainability information

Introduction

Intertek India Private Limited ("Intertek") was engaged by Zydus Wellness Limited ("ZWL") to provide an independent limited assurance on its Business Responsibility & Sustainability Report ("BRSR") for the FY 2022-23 ("the Report"). The scope of the Report comprises the reporting period of FY 2022-23. The Report is prepared by ZWL on a standalone basis including manufacturing facilities of Zydus Wellness Products Limited ("ZWPL"), wholly owned subsidiary, based on the BRSR guidelines prescribed by The Securities and Exchange Board of India. The assurance was performed in accordance with the requirements of International Federation of Accountants ("IFAC"), International Standard on Assurance Engagement ("ISAE") 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information.

Objective

The objectives of this limited assurance exercise were, by review of objective evidence, to confirm whether any evidence existed that the sustainability related disclosures, as declared

in the Report, were not accurate, complete, consistent, transparent, and free of material error or omission in accordance with the criteria outlined below.

Intended Users

This Assurance Statement is intended to be a part of the Report for the FY 2022-23 of ZWL.

Responsibilities

ZWL is solely responsible for developing the Report and its presentation. ZWL is also responsible for designing, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to fraud or error.

Intertek's responsibility, as agreed with ZWL, is to provide assurance and express an opinion on the data and assertions in the Report based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's

independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope

The assurance has been provided for selected sustainability performance disclosures presented by ZWL in its report. The assurance boundary included data and information for the operations of ZWL (in Ahmedabad) and ZWPL [in Aligarh and Sikkim (Two units)] and in accordance with SEBI's BRSR guidelines. Our scope of assurance included verification of data and information on selected disclosures reported as summarized in the table below:

Principle 6 (Businesses should respect and make efforts to protect and restore the environment)

- Total Energy Consumption.
- GHG emissions (Scope 1 and 2).
- Air Emissions (SOx and NOx).
- Total hazardous and non-hazardous waste generated.
- Total waste disposed.
- Water withdrawal, consumption and discharged.

Assurance Criteria

Intertek conducted the assurance work in accordance with requirements of 'Limited Assurance' procedures as per the following standard:

- International Standard on Assurance Engagements (ISAE) 3000 (revised) for 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.
- International Standard on Assurance Engagements (ISAE) 3410 for 'Assurance Engagements on Greenhouse Gas Statement'.

A limited assurance engagement comprises of limited depth of evidence gathering including inquiry and analytical procedures and limited sampling as per professional judgement of assurance provider. A materiality threshold level of 10% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and criteria.

Methodology

Intertek performed assurance work using risk-based approach to obtain the information, explanations and evidence that was considered necessary to provide a limited level of assurance. The assurance was conducted by desk review &

stakeholder interviews with regard to the reporting and supporting records for the FY 2022-23. Our assurance task was planned and carried out during June, 2023. The assessment included the following:

- Assessment of the Report that it was prepared in accordance with the SEBI's BRSR guidelines.
- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available digitally.
- Conducted virtual interviews with key personnel responsible for data management.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by ZWL and ZWPL for data analysis.
- Review of BRSR disclosures on sample basis for the duration from April 1, 2022, to March 31, 2023 for ZWL and ZWPL was carried out remotely.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed.

Conclusions

Intertek reviewed selected BRSR disclosures provided by ZWL in its Report. Based

on the data and information provided by ZWL and ZWPL, Intertek concludes with limited assurance that there is no evidence that the sustainability data and information presented in the Report is not materially correct. The report provides a fair representation of BRSR disclosures and is in accordance with the SEBI's BRSR guidelines to the best of our knowledge.

Intertek's Competence and Independence

Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 43,500 people. The Intertek assurance team included Certified Sustainability Assurance Professionals, who were not involved in the collection and collation of any data except for this Assurance Opinion. Intertek maintains complete impartiality towards any people interviewed.

For Intertek India Pvt. Ltd.

Sumit Chowdhury
 Technical Manager-
 Sustainability
 Intertek Assuris
 June 29, 2023

Elizabeth Mielbrecht
 Project Director
 Intertek Assuris

Environment Management System (EMS):

EMS verification	Document / certification link
Environment Policy	www.zyduswellness.com/investor/Environment%20Policy.pdf
ISO 14001 Standard	<p>The Company's manufacturing plants at Ahmedabad and Sikkim (2 plants) covering 75% of our manufacturing plants are accredited for ISO 14001, GMP certification and FSSC 22000 as applicable, validating process, quality consistency and food safety.</p> <p>Refer the compliance section on the page no. 3 for more details https://www.zyduswellness.com/investor/Annual%20Report%202022-23.pdf</p> <p>https://www.zyduswellness.com/investor/2.%20ISO%2014001-2015%20Certificate%20-%20Ahmedabad%20plant.pdf</p> <p>www.zyduswellness.com/investor/3.%20ISO%2014001-2015%20Certificate%20-%20Sikkim%20plant.pdf</p>
Internal certification / audit / verification	<p>Aligarh plant is internally audited as per IS 14489:1998 by the competent internal audit team for the FY 2022-23 with no non-compliance findings pertaining to applicable Environment, Health & Safety standards and the certificate is available on the website of the Company at</p> <p>https://www.zyduswellness.com/investor/3.%20ISO%2014001-2015%20Certificate%20-%20Sikkim%20plant.pdf</p>

Environment Violations

Parameter	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Number of violations of legal obligations/ regulations.	Nil	Nil	Nil	Nil
Number of fines/ penalties related to the above. (In ₹)	Nil	Nil	Nil	Nil
Environmental liability accrued at year end. (In ₹)	Nil	Nil	Nil	Nil

Scope 1: GHG Emissions:

Parameter	Unit	FY 2019-20	FY 2020-21	FY 2021-22*	FY 2022-23*	Target for the FY 2022-23
Total Direct GHG emissions (Scope 1)	MT CO2e	2,409	3,606	11,427	3,490	Target Reduction 5% (As compared to FY 2021-22). 10,855

* Intertek India Pvt. Ltd., has conducted Limited Assurance for the reported financial years FY 2022-23 and FY 2021-22.

Note: The value for FY 2021-22 has increased from FY 2020-21 as the manufacturing units were operating at 40% capacity during COVID period and resumed to full working capacity i.e. 100% after COVID restrictions were lifted. Zydus Wellness uses biomass (Agro waste and rice husk) as a renewable energy source, during FY 2021-22 the prices for the same were relatively high so the operations relied heavily on coal usage.

Refer the page no. 99 of the link for more details:

www.zyduswellness.com/investor/Annual%20Report%202022-23.pdf

Scope 2: GHG Emissions:

Parameter	Unit	FY 2019-20	FY 2020-21	FY 2021-22*	FY 2022-23*	Target for the FY 2022-23
Total indirect GHG emissions (Scope 2)	MT CO2e	10,039	9,874	10,124	9,928	Target Reduction 5% (as compared to FY 2021-22).
Location-based						
Market-based	MT CO2e	10,039	9,874	10,124	9,928	9,618

* Intertek India Pvt. Ltd., has conducted Limited Assurance for the reported financial years FY 2022-23 and FY 2021-22.

Note: We report our emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). Energy conversion and emission factors are used as per the UN's Intergovernmental Panel on Climate Change (IPCC) & Government of India's Central Electricity Authority (CEA).

In the absence of contractual instruments, specific electricity supplier's emission rate & residual mix, we have reported market-based emissions equal to our location-based emissions.

Refer the page no. 99 of the link for more details:

www.zyduswellness.com/investor/Annual%20Report%202022-23.pdf

Air Emissions (other than GHG emissions):

Parameter	Unit	FY 2021-22*	FY 2022-23*
NOx*	(mg/nm3)	44.30	45.86
SOx*	(mg/nm3)	64.83	50.09
Particulate Matter (PM)	(mg/nm3)	71.06	101.85
Persistent Organic Pollutants (HAP)	N.A.	N.A.	N.A.
Hazardous air pollutants (HAP)	N.A.	N.A.	N.A.
Ozone Depleting Substances (HCFC – 22 or R-22)	Tonnes	0.02	0.21

* Intertek India Pvt. Ltd., has conducted Limited Assurance for the reported financial years FY 2022-23 and FY 2021-22.

Energy Consumption

Total energy consumption	Unit	FY 2019-20	FY 2020-21	FY 2021-22*	FY 2022-23*	Target Statement FY2023	Target for the FY 2022-23 (Mwh)
Total non-renewable energy consumption	MWh	697	573	1,757	649	5% reduction from the FY 2021-22	1,669
Total renewable energy consumption	MWh	3,670	4,693	4,273	5,126	5% increase from the FY 2021-22	4,487

* Intertek India Pvt. Ltd., has conducted Limited Assurance for the reported financial years FY 2022-23 and FY 2021-22.

Note: Zydus Wellness uses biomass (Agro waste and rice husk) as a renewable energy source, during FY 2021-22 the prices for the same were relatively high so the operations relied heavily on coal usage.

In order to minimize our direct impact, we have undertaken a number of measures across our manufacturing facilities to reduce energy consumption, which in turn helps offset our carbon footprint. Some energy saving measures adopted at our worksites during the reporting period are given in the table below.

Plant	Reduction in energy consumption
Ahmedabad	<ol style="list-style-type: none"> 1. Steps taken or impact on conservation of energy <ol style="list-style-type: none"> a. Due to digitalization of all fat spread lines: <ol style="list-style-type: none"> i. Saving of electricity by 11.3%. ii. Improvement in productivity (volume increased by 16.9%). iii. Real time data monitoring for manufacturing and packing. iv. 0.4% improvement in product yield. b. Water usage optimization by installing ultrafiltration and reverse osmosis system for effluent treatment plant discharge. 2. Capital Investment on energy conservation equipments: <ol style="list-style-type: none"> a. ₹ 89.90 Lakhs (Rupees Eighty Nine Lakhs Ninety Thousand only)
Aligarh	<ol style="list-style-type: none"> 1. Steps taken or impact on conservation of energy <ol style="list-style-type: none"> a. 18 % reduction of electrical units per ton of production from the last year b. Boiler house evaporation ratio increased by 0.1% due to installation of oxygen analyzer. c. Refurbishment of Electrostatic Precipitator (ESP) in Boiler. d. Installed new variable frequency in Glucon-D CEKA LINE. e. During annual shutdown of turbine discontinued usage of diesel generator set 2. Steps taken for utilization of alternate sources of energy <ol style="list-style-type: none"> a. 79% reduction in consumption of coal as compared to last year. b. In Complan block, replaced electrical chiller with VAM chiller. 3. Capital Investment on energy conservation equipment's: <ol style="list-style-type: none"> a. ₹ 10.00 Lakhs (Rupees Ten Lakhs only)
Sikkim	<ol style="list-style-type: none"> 1. Steps taken or impact on conservation of energy <ol style="list-style-type: none"> a. Improvement in energy index (KWH/Ton) by 4.8%. b. Administrative control on utilization of equipments after area shutdown. c. Before 30 minutes of every plant closure, chillers and boilers are shut down. 2. Capital Investment on energy conservation equipment's <ol style="list-style-type: none"> a. ₹ 50.00 Lakhs (Rupees Fifty Lakhs only)
Ahmedabad	<ol style="list-style-type: none"> 1. Efforts made towards technology absorption: <ol style="list-style-type: none"> a. Digitalization of all fat spread lines to monitor – Productivity, overall equipment effectiveness and real time data. b. CCTV upgradation from Analog to Digital cameras with 30 days backup plan. c. Glucon-D manufacturing system upgraded from manual to screw conveying. 2. Benefits derived: <ol style="list-style-type: none"> a. Diesel saving – 7400 Litre/year b. Improvement in energy index by 11.3% c. Improvement in manpower index by 13.2%.

Aligarh	<ol style="list-style-type: none"> 1. Efforts made towards technology absorption: <ol style="list-style-type: none"> a. In Refrigeration cycle, vapor compression cycle replaced with vapor absorption cycle. b. Electrical refrigeration with steam operated vsm machine. c. Installed O2 analyzer for better controlling of boiler efficiency. 2. Benefits derived: <ol style="list-style-type: none"> a. Saving in electricity units and thereby reduction in cost. b. Cost optimization c. Improvement in productivity.
Sikkim	<ol style="list-style-type: none"> 1. Efforts made towards technology absorption: <ol style="list-style-type: none"> a. Online vehicle management system. b. Online shipper coding with integrated weighing & serial number. c. Installed lift & placed device for online powder feeding in filling machine & rationalization of sieving process, manpower & polybags. d. For tablet compression, implemented 3 tip punch in compression machine. 2. Benefits derived: <ol style="list-style-type: none"> a. Saving in electricity units and thereby reduction in cost. b. Cost optimization c. Improvement in productivity.

Packaging commitment:

Sr. No.	Brand/ Product	Packaging material/ Substrate	Amendment in specs	Market	Tentative Month of Implementation	Total savings of material consumption in tons /Annum (AOP 2022)
1	Sugar FREE Powder concentrate 100g	Poly propylene	Bottle weight reduction (22.5g to 20.5g)	India / Export	February, 2022	19.52
2	SF 500T Container	Poly propylene	2 pc to single pc container	India	March, 2022	31.83
3	Sugar lite 500g Pouch	Multi-Layer Plastic (MLP)	Thickness reduction	India	July, 2022	13.94

Note: Total packaging material saved for year - 65.29MT

As a goal for the next 3 years starting FY 2023-24, we have targeted reduction of packaging material by 1,000 tons (approximately 5% of total packaging used) by the FY 2026-27. We are also introducing programs to increase use of reusable & recyclable packaging material as well as phase out of single-use plastic packaging.

Projects are undertaken in Nycil bottles, Sugarfree powder concentrate bottle and cap, Complan Carton & Corrugated box.

1. Use of fully recyclable packaging material : Move from multi material packaging material (category 3) to multi-layer plastic material (category 2) to fully recyclable material by 2027. We are working towards moving on aluminium based plastic laminates to all plastic laminates for Glucon-D sachet.
2. Use of recycled material. Use of PCR material as prescribed in the PWM Act in product categories where it is allowed to be used. Everyuth body lotion is being tested in PCR based containers for use of PCR material.

Packaging Materials:

Packaging Materials	Total weight (MT)	Recycled and/or certified material	Target FY 2022-23 (% of total weight)
Wood/Paper fiber packaging	4,749.67	-	-
Metal (e.g., aluminum or steel)	263.38	-	-
Glass packaging	335.94	-	-

In India, use of recycled glass material in packaging is not allowed for food products. Also, while wood/paper fibre packaging is mostly made out of recycled material as per industry standards, we are in the process of getting accurate numbers/ percentage of the composition of such materials as well as metal packaging.

Plastic Packaging:

Parameter	FY 2020-21	FY 2021-22	FY 2022-23	Target for FY 2022-23
Total weight of all plastic packaging (MT)	5,934	5,949	6,117	-
% of recyclable plastic packaging (as a % of the total weight of all plastic packaging)	60%	59%	57%	-
% of compostable plastic packaging (as a % of the total weight of all plastic packaging)	0	0	0	0
% of recycled content within your plastic packaging (as a % of the total weight of all plastic packaging)	-	-	-	-

Note: The absence of any % of recycled content in plastic packaging (as a % of the total weight of all plastic packaging) is justified due to the food industry's stringent requirements for high-quality recycled materials. While government clearance now permits the use of recycled material in food products, the challenge remains in ensuring consistent availability and maintaining the necessary quality standards. Therefore, it is prudent to refrain from using recycled content until a dependable supply of high-quality recycled materials is established.

Waste Disposal:

Particulars	Unit	FY 2019-20	FY 2020-21	FY 2021-22*	FY 2022-23*	What was your target for the FY 2021-22?
Total waste recycled/ reused	MT	1,021	940	1,132	836.73	-
Total waste disposed	MT	92	51	84	96.72	Target Reduction 2% against FY 2021-22 82.32 MT
Waste landfilled	MT	Nil	Nil	Nil	Nil	-
Waste incinerated with energy recovery	MT	Nil	Nil	Nil	Nil	-
Waste incinerated without energy recovery	MT	Nil	Nil	Nil	Nil	-
Waste otherwise disposed, please specify : Co-processing	MT	92	51	84	96.72	-
Waste with unknown disposal method	MT	Nil	Nil	Nil	Nil	-

* Intertek India Pvt. Ltd., has conducted Limited Assurance for the reported financial years FY 2022-23 and FY 2021-22.

We have an increase in waste disposed as we are disposing our food waste by selling it to co-processors ensuring responsible re-use of waste by other entities while also generating economic returns for the Company.

Total Water Consumption:

Parameter	Unit	FY 2019-20	FY 2020-21	FY 2021-22*	FY 2022-23*	Target for the FY 2022-23
A. Withdrawal: Total municipal water supplies (or from other water utilities)	Million m ³	Nil	Nil	Nil	Nil	
B. Withdrawal: Fresh surface water (lakes, rivers, etc.)	Million m ³	0.038	0.064	0.060	0.070	
C. Withdrawal: Fresh groundwater	Million m ³	0.305	0.36	0.3607	0.325	
D. Discharge: Water returned to the source of extraction at similar or higher quality as raw water extracted (only applies to B and C)	Million m ³	0.0039	0.002	0.005	0.0389	
E. Total Net Freshwater Consumption (A+B+C-D)	Million m ³	0.339	0.422	0.416	0.356	Target reduction is 5% against the FY 2021-22 0.395

Note: We have set target of 15% reduction in water intensity by the FY 2028-29 vs the base FY 2021-22.

Water Consumption in Water-Stressed Areas:

Water consumption in areas with water stress [e.g. <1700 m ³ / (person*year)]	Unit	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	What was your target for the FY 2022
Total net freshwater consumption in water-stressed areas (Total water withdrawals – Total water discharges)	Million m ³	0.339	0.422	0.416	0.356	Target reduction is 5% against the FY 2021-22 0.395

* Intertek India Pvt. Ltd., has conducted Limited Assurance for the reported financial years FY 2022-23 and FY 2021-22.

Business Impacts of Water-Related Incidents

Incidents	Currency	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Total actual and opportunity costs (e.g. forgone income) from water-related incidents	INR	Nil	Nil	Nil	Nil

Exposure to Water Stressed Areas

No. of production plants in the last FY in water-stressed areas	4
Total No of production plants in the last FY	4
% of production plants in the last FY in water-stressed areas	100
% of Cost of goods sold (COGS) in the last FY	90

Note: We have used the WRI's Aqueduct Global Water Tool to identify water stressed areas/ sites.

Climate Governance:

Governance Structure	Roles & Responsibilities
Board of Directors	The Board is responsible for formulating the Company's strategy relating to ESG and sustainability matters.
CSR & ESG Committee	The terms of reference of the CSR committee were modified in November, 2022 to include ESG related terms. The ESG committee at the board level is responsible for shaping the strategic vision and direction of ESG programs and commitments, overseeing the company's communication strategies regarding ESG matters with various stakeholders, approving public disclosures and submissions in alignment with regulatory requirements and global ESG standards, making decisions on ESG investments and resource allocation, and providing regular reports to the Board on ESG-related topics, both current and emerging.
CEO	The CEO is responsible for the implementation and oversight of the Business Responsibility & Sustainability policies.
Steering Committee	The ESG Steering committee is a management level committee comprising of the HoDs of key functions. It is responsible for aligning the Company's ESG strategy with its vision and mission as directed by the Board, ESG Committee, conducting stakeholder engagement and materiality analysis, establishing ESG KPIs and performance targets, tracking progress towards defined objectives, overseeing internal and external ESG communication strategies, reviewing and presenting public ESG disclosures for board committee approval, evaluating ESG policies and standard operating procedures, and making recommendations regarding ESG-related investments and resource allocation.
ESG Leads	We have appointed leads for each pillar - EHS SPOC for Environment, HR SPOC for Social and Finance & Secretarial SPOCs for Governance. The ESG leads co-ordinate the activities of the working council & act as a liaison between the other layers. Additionally, they are tasked with monitoring external ESG ratings and certifications and coordinating with relevant agencies.
ESG Working Council	Each key function has designated functional SPOCs who are responsible for the on ground implementation and execution of our ESG initiatives. The ESG Working Council, led by functional heads or SPOCs, is responsible for executing all ESG programs and initiatives as directed by the ESG Committee and Steering Committee, including reviewing, and presenting public ESG disclosures for board committee approval, providing ongoing updates to the Committee, proposing new initiatives, and overseeing the preparation of ESG policies and SOPs.

Climate Change Risk Management

The Company believes that the systematic risk management ensures effective navigation to achieve business objectives and enable sustainable growth in a volatile and complex environment. The company's risk management framework has been designed to identify, monitor and minimize the adverse impact of strategic, operational, financial and compliance risks faced by it. The company's risk management framework ensures a consistent, collaborative, and comprehensive approach to identify, prioritize, respond, and monitor various kinds of risks and report the same to the Audit Committee, Risk Management Committee, and the Board of Directors ("the Board") for review and discussion and enable them to take informed decisions and suggest actions to mitigate those risks. The Risk Management framework guided by the Chief Risk Officer is implemented across the company, which also enables all employees and business associates to raise any risk they identify to the next level. The risk management policy can be referred from following link:

www.zyduswellness.com/investor/Risk%20Management%20Policy.pdf

Financial Opportunities arising from climate change

Description	In a strategic move aimed at reducing energy costs and promoting Change the data to this - We have identified green power as an opportunity arising from climate change. We have recently agreed upon a deal for generating 2MW solar power for our Aligarh plant from FY 2022-23 for a project duration of 25 years. This project will fulfill 54.32% of Aligarh plant's power requirements & 20.34% of the company's manufacturing power requirements. The project has been commissioned at a cost of ₹ 72 Lakhs with an expected annual benefit of ₹ 32 Lakhs.
Annual financial positive implications of this opportunity	~ ₹ 32 Lakhs of annualized savings
Time frame (in number of years) for positive financial implications of this opportunity	Term of 25 years with a lock-in period of 12 years
Annual costs associated with developing this opportunity	₹ 72 Lakhs by way of equity and debt infusion.

Emissions Reduction Targets:

Scope covered by the target	Target Timeframe	Baseline year emissions covered	% Reduction target from base year
Scope 1+2 (In MTC02e)	Base year: FY 2021-22 Target year: FY 2028-29	Base year emissions: 21,551 % of total base year emissions: 100%	15%

Food Loss & Waste impact

Food loss & waste (In MT)	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Target for FY 2023-24
a) Total weight of all food loss & waste	105.22	242.60	232.54	276.41	275
b) Total weight of food loss & waste volumes used for alternative purposes	105.22	242.60	232.54	276.41	275
c) Total discarded (a- b)	0	0	0	0	0
d) Food loss & waste intensity (Food loss & waste/ production of food products)	0.36%	0.80%	0.65%	0.51%	0.55%
e) Coverage	100%	100%	100%	100%	-

Note: Aligarh plant - All food waste has been sent to piggery/cattle feed farm; Ahmedabad plant - All food waste is being sent to soap industry for co-processing; Sikkim plant – All food waste has been sent for co-processing.

The Covid-19 pandemic significantly reduced the intensity of food loss and waste management in FY 2019-20. The disruptions in the food supply chain, changes in consumer behavior, and operational challenges brought about by the pandemic collectively contributed to this decrease.

Animal Welfare Programs

Dairy Development Camps:

Purpose:

- Building relations at grass root level for a sustainable supply chain.
- Education for clean milk production to improve the quality of milk.
- Get information update on village milk production & competitors' activity.

Activities:

In CY23, we conducted awareness programs for farmers in partnership with "Lutin Pharma" at Aligarh.

- Farmers were educated on various topics about good animal husbandry practices, animal nutrition, clean milk production. These sessions were conducted in 25 neighbouring villages of the Aligarh plant and 1,500 farmers were enrolled under this activity.



- We distributed 6,000 deworming medicines and 1,500 packets of the mineral mixture (cattle feed) weighing 1kg each to the attendees.
- A farmer helpline is also started, with help of "Lutin Pharma", to resolve issues related to animals' health and feeding. A training programme was conducted for awareness about preparation of silage and feeding practice.



Biodiversity

Zydus Wellness is actively involved in environmental conservation through various initiatives:

Tree Plantation Activities:

- World Environment Day, 2023 was celebrated at all locations and planted 100 trees on this day.
- Organized awareness sessions at all plants.
- Conducted a Miyawaki Plantation Drive at the Aligarh Plant and planted total 5,000+ saplings during the drive.
- Development of a Miyawaki Forest area within the plant.



Plastic Waste Cleaning Drive:

- Organizing a plastic waste cleaning/collection drive at all locations.
- Encouraging volunteer participation from employees.
- Raising awareness amongst local villagers about the importance of plastic waste management during the activity.



These initiatives demonstrate the Company's commitment to environmental sustainability and responsible corporate citizenship by actively contributing to reforestation efforts and addressing the critical issue of plastic waste pollution.

The company has recently adopted Biodiversity policy which is available on the website of the Company at <https://www.zyduswellness.com/investor/Biodiversity%20Policy.pdf>



Social

Message from Head of Human Resources



Shantanu Das
Sr. Vice President, Human Resources
Zydus Wellness Limited

At the heart of our organization's values lies a deep commitment to social sustainability. We firmly believe that sustainable success is built on the pillars of diversity and inclusion, and this belief drives our every action. We foster an inclusive environment that champions equal opportunity and embraces diversity in all its forms.

To propel these initiatives

forward, we have framed comprehensive policies that ensure a level playing field for all, irrespective of gender, background, or abilities. These policies are not just words on paper; they represent our unwavering commitment to creating an environment where everyone feels valued, respected, and empowered.

We firmly believe that embracing diversity enhances our organizational capabilities, fosters innovation, and drives us towards our collective goals. It is a testament to the incredible talent within our workforce and our dedication to their growth. Our employees are the cornerstone of our success, and we are dedicated to sharing our successes with them through various recognition programs, employee support programs, competitive compensation, and wellness initiatives.

Furthermore, in line with our sustainability framework, we continue to champion social responsibility and sustainability in communities where we

operate. Our employees play a vital role in this journey, with sustainability knowledge and awareness training being integral to their development.

We are here to support employee growth, celebrate their achievements, and provide a nurturing and empowering environment where our people can thrive. Together, we are building a more diverse and inclusive workplace, driving towards a brighter future for all.

Diversity and Inclusion

At Zydus Wellness, we are committed to fostering a culture of diversity and inclusion. We believe that a diverse workforce is best suited to navigate through the complex challenges of today's business world and to further our Diversity and Inclusion ambitions, we have several initiatives and programs in place within the organization. 12.5% of Board / Leadership positions within the organization are held by women. We take great pride to state that, about 30% of the workforce in the age group of 25-30 years comprises women in the Sikkim Units and for Ahmedabad, this stands at around 11%. Women from Science, Technology, Engineering, and Mathematics (STEM) forms a significant part of the workforce.

We hire employees based on, knowledge and other qualities. We also promote diversity at the board level. We have a policy on Board Diversity guiding our efforts in this direction. We ensure that at least one of the members of the Board is a Woman Director.

The company has recently adopted Diversity and Inclusion Policy which is available on the website of the Company at <https://www.zyduswellness.com/investor/Diversity%20and%20Inclusion%20Policy.pdf>

Women driven plant at Sikkim

Sikkim has seen a significant shift from an agro-based economy to an industrial economy in the past years. The shift axiomatically prompted an entry of women into the formal workforce. Both our plant (unit I and II) witnessed this transition too. At present, about 30% of the workforce in the age group of 25-30 years comprises women in this plant. Their roles are spread across all functions of the plant including core operations. To support this shift and encourage further absorption of women into the workforce, the following initiatives in the form of support services were undertaken:

- Transport facility
- Flexible shift hours to suit the needs of women employees
- CCTV surveillance within the premises
- Awareness sessions on provisions under Prevention of Sexual Harassment (PoSH) at Workplace Act and related policies

Refer link for testimonials: <https://www.zyduswellness.com/diversity-inclusion.php>

We present testimonials from some of the women employees as under:

Lolita Fernandez, Manager – Finance:



**Zydus
Wellness**

From Passion to Profession: A trailblazing journey to career success



Lolita Fernandez | Manager - Finance

"I have been working with Zydus Wellness since 2019 and it has been an enriching experience. I was pretty determined to learn, perform, grow, and scale up year after year. Projects with tight deadlines, learning a new skill on the go and finding ways of improving efficiency every day excite me as a professional. Winning the Zydus Excellence Award was one of the standout moments for me. I owe a lot to my teams, mentors, and peers who have helped me at every step of my journey. Openness to take up new projects has been the key to the delightful journey here.

The best thing about Zydus Wellness is the diverse opportunities to grow. I would sum up my experience as taking small leaps every day, achieving one milestone at a time and completing them with shining colors. My work has shaped who I am today and I am excited to keep learning and growing with Zydus Wellness."

Arohi Bapna, Sr. Manager, Scientific Affairs:

herstory

Zydus Wellness

Opening New Doors: A career driven by boundless curiosity

Arohi Bapna | Sr Manager - Scientific Affairs

"Since childhood, science has been an integral part of my life. I have always been excited about the know-how of things. This curiosity translated into a career in the wellness industry. I began my journey at Zydus Wellness in 2019, and it has been nothing short of extraordinary.

Each day brings a new opportunity to put my skills to the test by exploring new territories of product innovation for Indian and international markets. From publishing clinical studies to designing new products that bridge nutritional gaps, I'm proud to contribute to Zydus Wellness' rich legacy. Be it a mammoth challenge like performing clinical trials or the camaraderie here among peers and managers, I love every bit of my rollercoaster journey!"

We acknowledge the fact that diversity goes much beyond just the male-female ratio at work and are working on a strategic roadmap towards its encouragement. We are committed to being an employer who treats every aspirant and employee equally and provide equal opportunity to be associated with the Zydus Wellness' journey. Also, we aim to create an environment where employees can show empathy for their colleagues and treat each other with respect and civility and recruit based on their skills and industry experience etc. irrespective of other factors viz. race, gender, caste, etc.

Workforce breakdown: Gender

Diversity indicator	Percentage share
Share of women in total workforce	4.7%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	5.7%
Share of women in junior management positions, i.e., first level of management (as % of total junior management positions)	4.6%
Share of women in top management positions, i.e., maximum two levels away from the CEO or comparable positions (as % of total top management positions)	5.6%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	1.6%
Share of women in STEM-related positions (as % of total STEM positions)	11.0%

Workforce breakdown: Nationality

Breakdown	Share in total workforce as % of total workforce including: MS-Management Staff NMS-Non-Management Staff	Share in all management positions (junior, middle, senior) (as % of total management workforce)
India	99.1%	98.8%
Dubai	0.3%	0.4%
Bangladesh	0.6%	0.8%

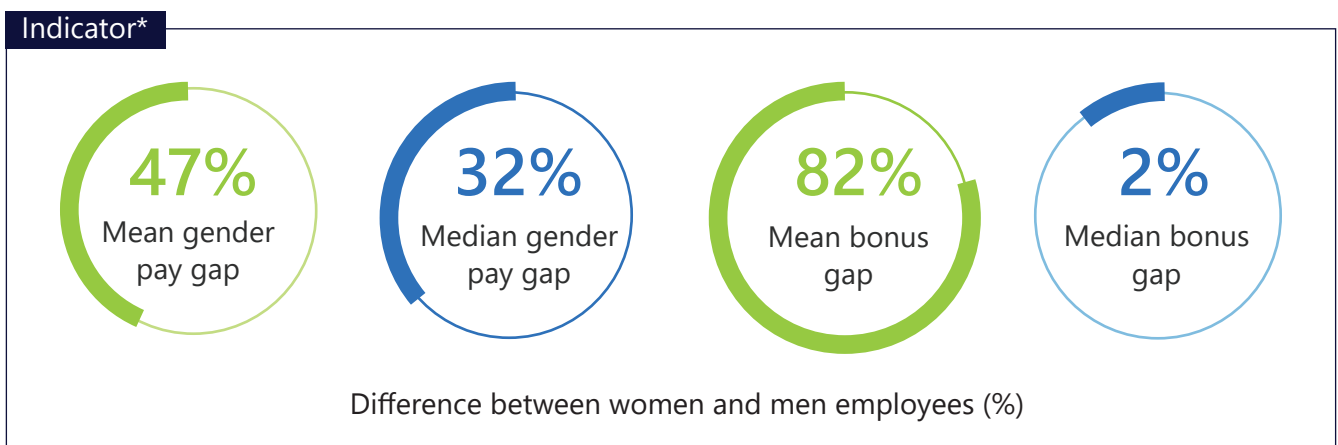
* This is global workforce data, coverage of the data reported on 100% of FTEs.

Gender Pay indicators

Pay parity refers to the principle of ensuring equal compensation for individuals performing similar roles or jobs, regardless of factors such as gender, race, or other forms of demographic differentiation. It aims to eliminate wage disparities and create an equitable work environment where employees are paid fairly based on their qualifications, responsibilities, and performance, rather than their personal characteristics or backgrounds. Pay parity promotes diversity, inclusion and fairness in the workplace. The Company supports equal gender pay and ensures that employees are paid equally based on their experience, qualification etc.

(₹ in Lakhs - per annum)

Employee Level	Average Women Salary	Average men salary
Executive level (base salary only)	90.2	119.1
Executive level (base salary + other cash incentives)	112.8	155.4
Management level (base salary only)	22	15.9
Management level (base salary + other cash incentives)	24.6	18.2
Non-management level (base salary only)	2.5	2.3



Note: Coverage of the data reported on 100% of FTEs.

The data presented shows the pay difference between women employees and men employees. The mean and median pay and bonus of women employees is higher than the men employees.

* We ensure equitable compensation by considering factors such as location, skills, and other aspects of diversity in a fair and unbiased manner.

Freedom of Association

Indicator	%
% of employees represented by an independent trade union or covered by collective bargaining agreements	17% (Aligarh Non-Management Staff)

Living Wage Commitment & Methodology

For the Living Wage Assessment, we utilised data compiled by the Global Living Wage Coalition for India, employing the Anker Methodology to calculate living wages in 6 regions across 4 states (Andhra Pradesh, Madhya Pradesh, Uttar Pradesh, and Tamil Nadu). Given the absence of nationwide living wage data, our company conducted a comparative analysis, juxtaposing employee, and worker wages against the maximum living wages of the 6 specified regions provided by the Global Living Wage Coalition amounting to ₹ 18,500/- per month. The findings revealed that 96% of on-roll employees and workers receive compensation exceeding the maximum living wage, while 4% of on-roll employees and workers are remunerated slightly below the maximum living wage (with all employees and workers receiving payments at or above the minimum wages mandated by law).

Human Rights Due Diligence

Indicator	Details
Human rights due diligence process	<p>At Zydus, we continuously strive to establish safe work environment prevent child labour, forced labour and discrimination, and ensure eligibility of freedom of association and collective bargaining agreements. Our ultimate objective is to cultivate a socially inclusive world where each entity, from small farmers who aid in sourcing our ingredients to our distributors and all other associates, are valued. Hence, underpinning our business and societal operations, respect for human rights remains paramount. In a world rattled by geopolitical instability, a cost-of-living crisis, global supply challenges, and pressing concerns over climate change and social inequity, the urgency to collaborate and collectively strive for universal human rights respect is more significant than ever.</p> <p>We comprehend the immense need to maintain ethical and human rights standards across our entire value chain, and in doing so, we respect the human rights of all involved parties. Our Human Rights Policy and due diligence best practices are applicable to all Zydus Wellness employees, trainees, part-time and contractual workforce across all our business units, wholly owned entities, and majority-owned entities. We also require our value chain partners to adhere to these same principles. As part of our commitment to human rights protection, we have instigated a stringent due diligence process and a constant monitoring system incorporated into our operations through a periodic risk assessment process covering our own operations, our value chain as well as at the time of any new business relations. This includes a robust grievance redressal channel, the Human Rights Policy, Whistle blower policy, Prevention of Sexual Harassment (POSH) of Women at Workplace policy and Supplier Code of Conduct. We strongly encourage stakeholders to voice any human rights related concerns or complaints, which we commit to promptly and appropriately address. We firmly believe that businesses can only flourish in societies where human rights are protected and respected, and we understand that businesses bear the responsibility to respect human rights and have the power to cultivate positive human rights influences.</p>

Review of risk mapping	We do a systematic periodic review of risk mapping of potential issues
Coverage of risk identification	Our process covers the following: <ul style="list-style-type: none"> • Risk identification in our own operations • Risk identification in our value chain or other activities related to our business • Risk identification in new business relations (mergers, acquisitions, joint ventures, etc.)
Actual or potential human rights issues covered/ identified	<ul style="list-style-type: none"> • Forced Labor • Human Trafficking • Child Labor • Discrimination • Freedom of association • Right to collective bargaining
Groups at risk of human rights issues covered/ identified	<ul style="list-style-type: none"> • Own employees • Women • Children • Third-party employees • Local communities
Reference policies	www.zyduwellness.com/investor/Human%20Rights%20Policy.pdf www.zyduwellness.com/investor/zwl-posh-policy-feb-20.pdf www.zyduwellness.com/investor/code-of-conduct-for-vendors-feb-2023.pdf https://www.zyduwellness.com/investor/whistle-blower-policy-revised-may-28-2019-final.pdf

Employee Development Programs

Training and development programs for employees are important for enhancing their skills, knowledge, and capabilities, which ultimately benefits both the employees and the organization. The Company conducts various leadership and management development programmes for employees of different levels as per following table:

Indicator	Program 1	Program 2
Name and description	ACE Management Trainee Programme & Sales Gurukul.	Knowledge Kaleidoscope.
Description of program objective/ business benefits	To hire & nurture young talent for future ready organization.	Cross functional business acumen building.
Quantitative impact of business benefits (monetary or non-monetary)	Strong talent pool. e.g. Management Trainee has been placed as Assistant Sales Manager on successful completion of training stint.	Better understanding of other Business functions & their processes leading to effective collaboration & synergies
% of FTEs participating in the program	0.82%	2.67%

A Systematic Performance Measurement System

We understand that in order to utilize an employee to its best and at the same time, provide the employee with adequate growth opportunities, it is crucial to first assess the employee's capabilities. A part of this is directly related to the displayed performance.

The performance management system at Zydus Wellness has been developed around the philosophy of "Building a culture of performance that fosters meritocracy, collaboration & excellence in execution, giving the organization a competitive edge". This is translated to practice by both, a process and a platform we termed as "PEAK - Performance Evaluation and Key Results". PEAK derives its assessment and goal setting agenda from the overarching organization strategy and focus areas for the year under consideration. At an employee level, individual KRAs exist, which finally lead to results-oriented increments, promotions and variable pay.

PEAK is complemented by the Zydus NEEV competency framework. The framework allocates 6 competencies across all levels of employees for assessment.



The systems described above help the Human Resource team to build employee specific Learning and Development (L&D) curriculum. This is in addition to the sessions that are mandated for all employees of Zydus Wellness. As the on-ground sales force consists of a significant part of our workforce and indeed a very crucial one, we have developed structured, video-based programs for the sales force. These programs are mandatory and lays importance on soft skills. We conduct unit specific technical trainings for our manufacturing staff, in alignment with their roles and responsibilities.

Training and Development inputs:



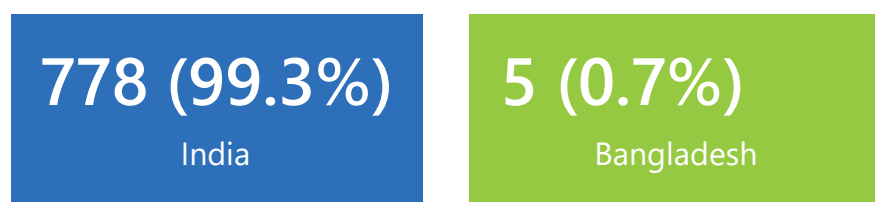
Breakdown by Training type

Training type	Total training hrs.
Health, Safety, Wellbeing and Food Safety	212
Functional	1,144
Leadership & Self Development	568
Soft Skills	189
Total	2,113

Training hours breakdown by Age

Age	Total training hrs.
>=20	123
21-30	906
31-40	678
41-50	232
51-60	174
Total	2,113

Breakdown by Nationality



Attracting and Retaining the Right Talent:

Long-term growth and sustainability of any organization is highly dependent on the human capital it holds. Moreover, retaining the people with the right set of skill sets and values aligned with the Company's values is a key focus area for the Human Resource team at Zydus Wellness. We have a 4-step recruitment process to ensure this. This year we on boarded 274 permanent resources across positions. We have a comprehensive human resource policy in place that highlights the common expectations from employees, apart from listing the benefits and day-to-day procedural matters.

We encourage the presence of youth at Zydus Wellness and run an internship program every year. We have a "pre-placement offers" system in place to absorb the young talent. During the FY 2022-23, we extended internship opportunities to 5 students from well-established universities across the country. To augment our sales workforce, we have a dedicated project called "Gurukul". The project acts as a bridge for the sales trainees to get absorbed as a sales officer in the Company, basis their performance. Under this project, for the first 2 months, every sales trainee is attached to an existing and experienced sales officer in the roles of either Partner Sales Manager (PSM), District Sales Representative (DSR) or Trainee Sales In charge (TSI) and are expected to learn by primarily observing. Post the learning phase, they carry out the day-to-day tasks independently. After 6 months and a comprehensive performance evaluation, the trainees are allocated the role of Trainee Sales In charge (TSI) and after managing a territory independently they are confirmed as Sales Officers. During the fiscal year, we had onboarded 16 Gurukul trainees to begin with who will now be moving to the TSI role.

Our Human Resource team puts significant efforts into the retention aspect. This is essentially brought about by a combination of wellness, benefits, awards and appreciation related initiatives.

The Human Resource Policy includes provisions for:

Paternity Leave, Health and Wellness, Exit mechanism, Referral procedure, Whistle Blower mechanism, Holiday and Leave, Housing assistance, Relocation assistance, New Joinee Support, Prevention of Sexual Harassment of Women at Workplace, Travel norms, Variable pay, Rewards and Recognition

Key benefits extended to our employees are:

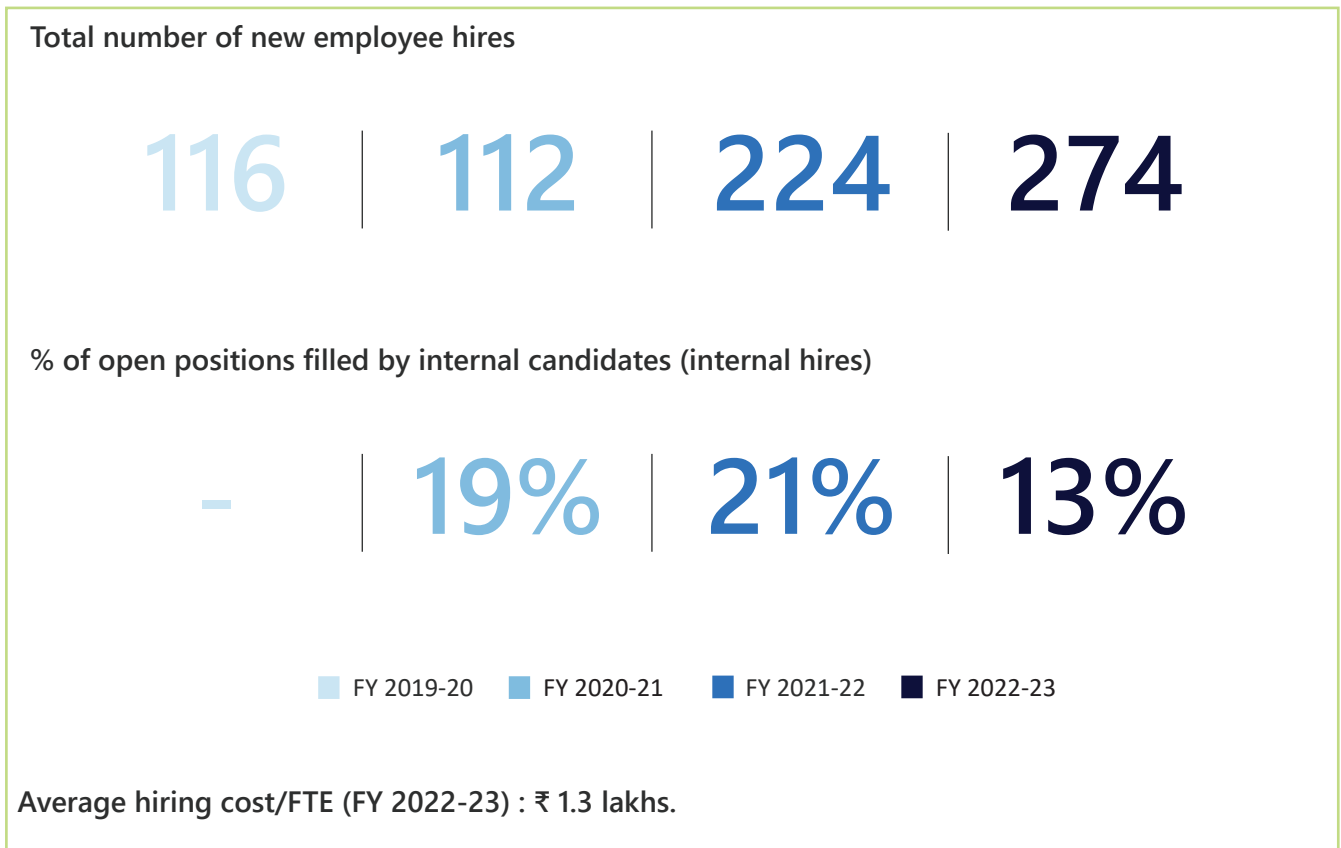
- Support for children's education
- Interest free advance to cover security deposit of employees opting for rental accommodation, in Mumbai and Delhi
- Retirement benefits and tenure extension in selected cases
- Health and accidental insurance
- Maternity and Paternity benefits
- Parental insurance
- Breast-feeding/lactation facilities or benefits
- Flexible working options
- Functional day care facilities at corporate office at Ahmedabad
- Free eye check-up camp
- Free Body check-up camp

Human Capital Return on Investment:

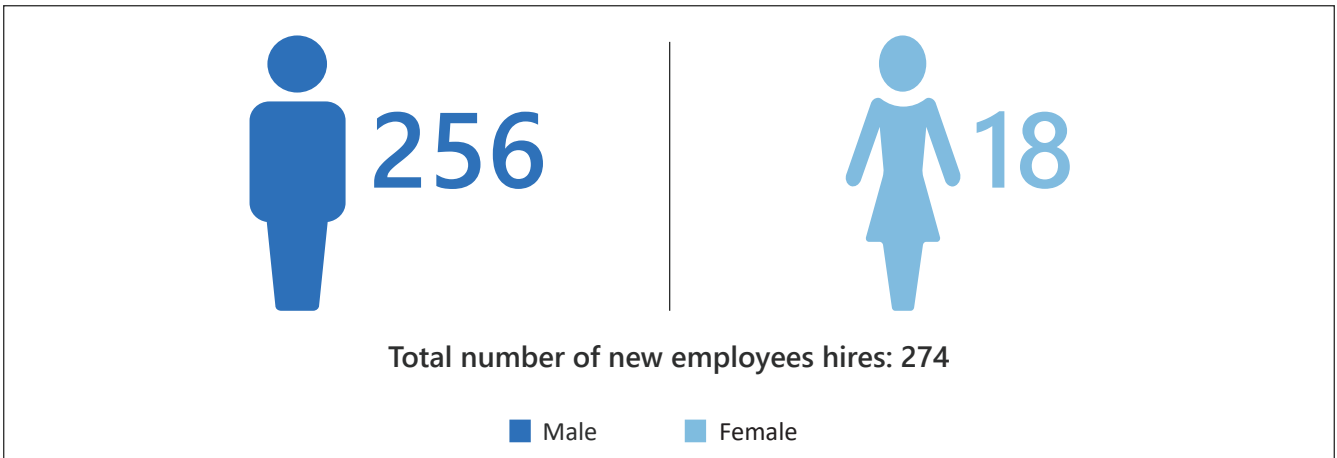
Indicator	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
a) Total Revenue Currency: ₹ Crore	1,766.82	1,866.67	2,009.10	2,254.79
b) Total Operating Expenses Currency: ₹ Crore	1,445.76	1,522.31	1,664.35	1,917.64
c) Total permanent employee-related expenses (salaries + benefits) Currency: ₹ Crore	156.01	163.83	163.56	167.30
Resulting HC ROI (a- (b-c)) / c	3.06	3.10	3.11	3.02
Total permanent Employees	1,159	1,098	1,075	975

Hiring:

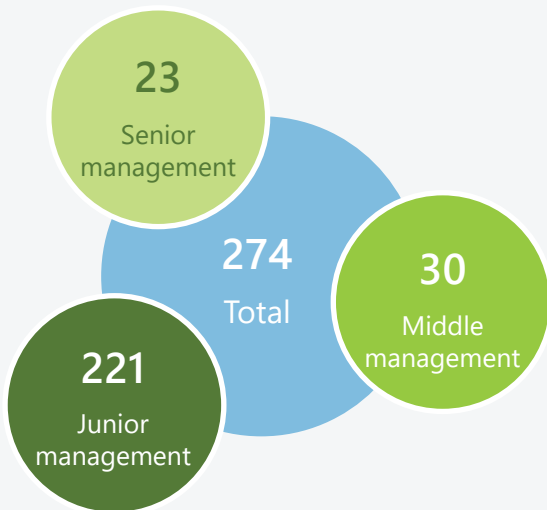
The Company believes that "Right person in the Right Role" are core to business operations' success and growth of business. The process of selecting and onboarding new employees is not just about filling a vacant position; it's about shaping the future of the Company. Correct employee hiring plays a pivotal role in achieving organizational goals and maintaining a healthy work environment.



Breakdown by gender (FY 2022-23)

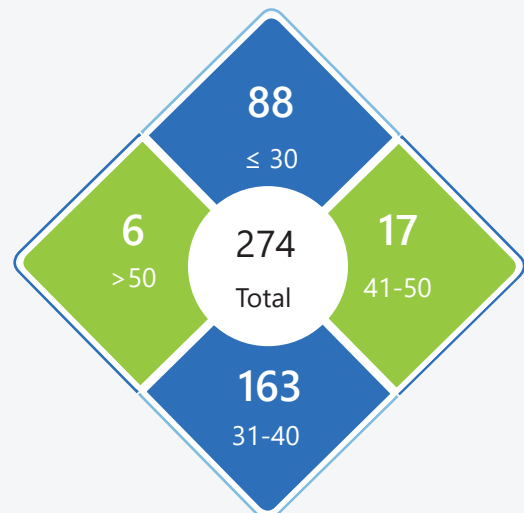


Breakdown by Management level



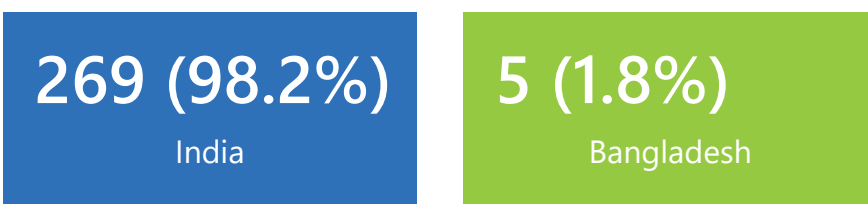
FY 2022-23

Breakdown by Age



FY 2022-23

Breakdown by Nationality



Succession Planning

At Zydus Wellness, the process of succession planning begins with leaders evaluating their team members' performance and potential and mapping their talent pool with 9 boxed grid system. This exercise helps us determine the distribution of talent in the organization and identify critical roles that require sustained occupancy. The criteria for identifying critical roles include the direct impact on business outcomes, revenue/ cost impact, specialization (niche roles) involved, and limited talent pool availability in the market. The Company also considers current or future changes in key role dimensions, including know-how required, problem-solving, and accountability while defining the criticality. Once critical roles and their requirements have been identified, potential

successors are categorized into three groups based on their readiness: ready now, ready in 1-3 years, and ready in 3-5 years. Post this, the succession planning actions for each role are proposed, which are essentially of three types: current employee to continue, internal successor identified, or external talent to be identified proactively. After identifying critical roles and potential successors, we create a succession plan that outlines the process for transitioning successors into critical positions. The plan includes specific actions for each role, such as training and development opportunities or job rotations to prepare the potential successors for future leadership roles.

The plan also includes contingency provisions

for unexpected leadership vacancies, such as identifying backup successors or interim leaders to ensure business continuity. Once the succession plan is created, we implement and monitor its progress to ensure its effectiveness. This involves putting the plan into action by executing the proposed actions for each role and monitoring the progress of potential successors in their development and readiness to assume critical roles. By monitoring the plan, we can identify any potential gaps or areas for improvement in their succession planning process and make necessary adjustments to address them. With this process, we can ensure that we have a strong pipeline of talent ready to assume critical roles.

Creating Leaders at all Levels

While leadership development and training programs go a long way to help employees achieve their career goals, they also help businesses achieve their strategic objectives and acquire a competitive advantage. We design such programs and help create new leaders with the goal of long-term value creation at Zydus Wellness. Enhancing managerial and behavioral capabilities is a common theme for these programs. Our key programs include:

Acquire, Develop, Anticipate, Prepare & Transform (ADAPT):

A 9-month development intervention for senior leaders (General Manager and above) in partnership with Indian Institute of Management, Ahmedabad. While Organization Development remains the core of the program, the attendees are exposed to topics on: Digital transformation, Data management and analytics, Leadership and people management, Building resilience, Strategic thinking, Operations management and Business financial acumen.

Learn, Explore, Aspire & Perform (LEAP):

This training program is specifically developed for new managers. This is run across the Zydus group and helps the managers in obtaining role clarity, inculcate a sense of ownership and commitment, embed customer centricity in all actions, team management and effective communications among others.

WINGS:

Specifically designed for senior women leaders across the Zydus Group. The program adopts an experiential approach to resolve immediate and significant interpersonal challenges. Reflective exercises form an integral part of it.

Type of performance appraisal:

Indicator	Frequency
Management by Objectives	Quarterly/ Twice a Year
Multidimensional performance appraisal	Quarterly/ Twice a Year
Team-based performance appraisal	Quarterly/ Twice a Year

Our key rewards and recognition programs are:

Shout Out: Encourages employees to be openly appreciative of their colleagues for support on critical projects or even day-to-day activities.

Zydus Value Awards: Designed to recognize and appreciate colleagues who display the core behaviors in day-to-day working. The award categories include - Execution excellence, Innovation, Team player and collaboration, Respect - Trust and Integrity and Adaptability to change.

Every win counts & Pat on the back: Nomination based recognition program for individuals.

Team Awards: Nomination based recognition program for project delivery at team level.

CEO Award: Annual award for employees who have made significant business contributions through consistent performance.

Annual Conference: To reward and recognize outstanding contribution by Individual and Teams, across various verticals in the Sales department, by adding value to processes and achieving end results.

Zydus Group Awards: Nomination and performance based recognition program for Individuals/ Teams.

Zydus Premier League: Quarterly incentive program designed to enhance the productivity by following defined procedures which cumulates to achieve overall Sales goal.

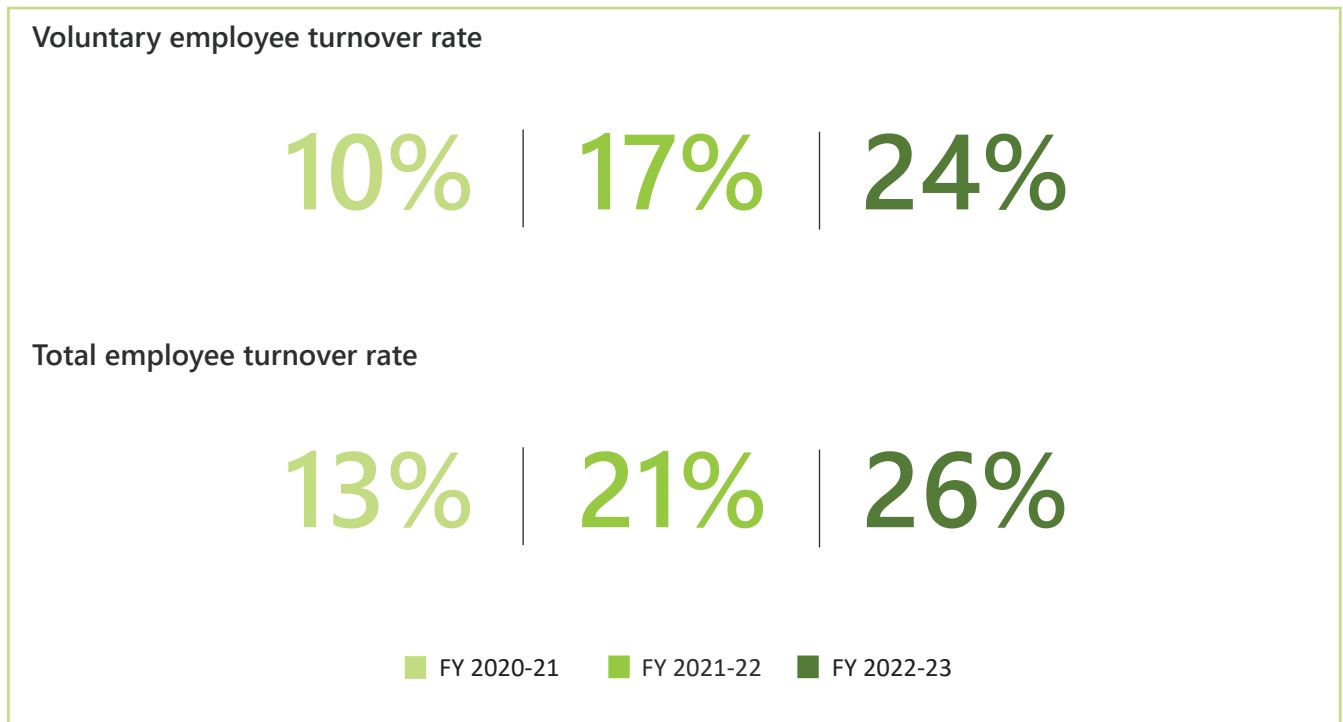
Umang Retention Program: Rewards given to the off roll sales employees as part of retention strategy. Retention bonus is rewarded post completion of 6 months from joining as per defined criteria.

Employee Support Programs:

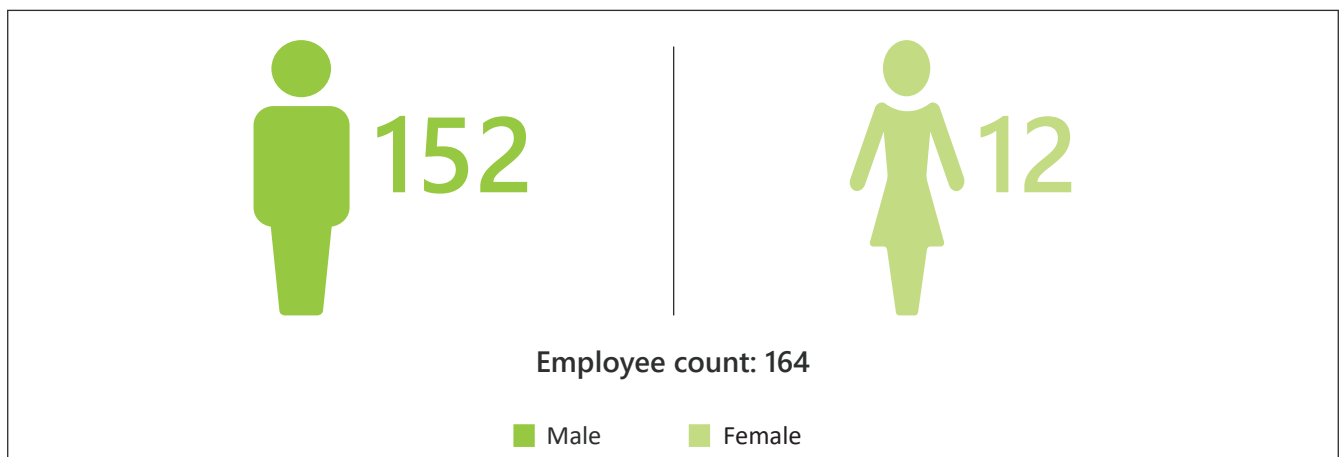
Employee support programs	Details
Workplace stress management	Cater to employees' health and well-being through VISIT, a wellness application.
Sports & Health initiatives	<p>At Zydus Wellness, we look at employee wellbeing in a holistic fashion and therefore health and wellness is of paramount importance to us. Being fit makes each one of us more energetic, motivated and happy.</p> <ul style="list-style-type: none"> ▪ This policy is applicable to all permanent Management staff employees of the company. ▪ Employee can avail reimbursement up to 50% of the total fees or ₹ 10,000/- whichever is lower ▪ Reimbursement can be availed once in a Financial Year i.e., April to March. ▪ The Company expects employees to be ambassadors of Wellness and avail fitness facilities of these format. (Yoga, gym, gymnastics, fitness classes, cardio Zumba, Meditation, Swimming)
Flexible working hours	<ul style="list-style-type: none"> ▪ Zydus Corporate Park has flexible attendance policy in providing Late coming & Early Go facility. ▪ Late coming: Employee can come late by 2 hours for 9 times a month (3 without approval + 6 with approval). ▪ Early Going: Employee can leave early by 1 hour for 3 times a month with approval. ▪ Branch offices follow late coming by 1 hour for 4 times a month & early going by 2 hours for 2 times a month.
Childcare facilities or contributions	Creche facility available in corporate office at Ahmedabad for working mothers.
Paid parental leave for the primary caregiver	A total of 26 weeks is offered to our majority of the employees as paid parental leave for primary caregiver.
Paid parental leave for the non-primary caregiver or secondary caregiver.	Any employee (male) who has completed 1 year with Zydus Wellness is eligible for Paternity leave of 5 days. This can be availed within 3 months from the date of birth of child/adoption. Paternity leave can be availed by the non-primary caregiver maximum twice during the tenure of employment.

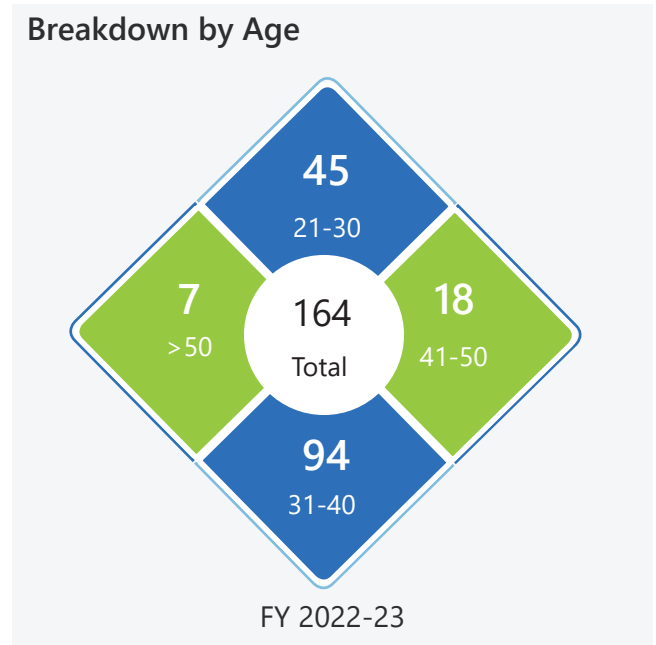
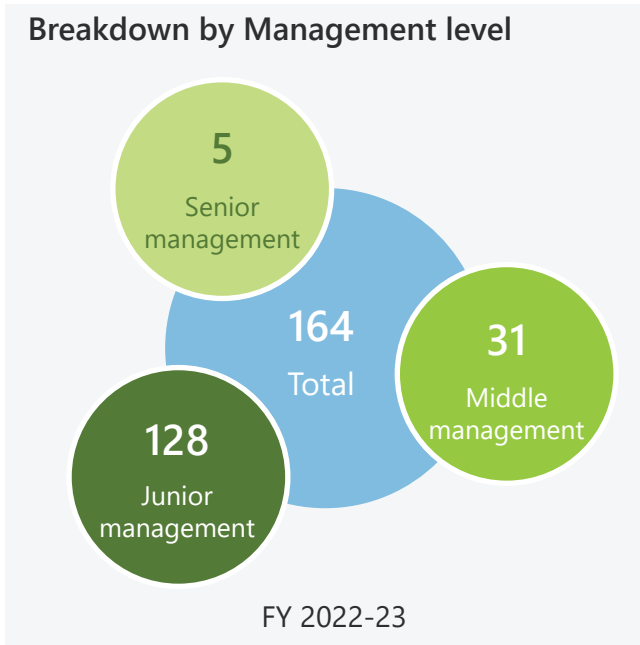
Employee Turnover Rate:

Employee turnover is a critical metric that can have far-reaching implications for an organization's financial health, productivity, culture, and ability to attract and retain talent. The Company aims to continue to deliver value to its people by attracting, training, and retaining multifaceted employee competencies and expertise to groom future leaders early on.



Breakdown by gender (FY 2022-23)





Breakdown by Nationality



Employee Survey

Capturing employees’ feedback on their experience at the workplace is crucial for us to recalibrate our interventions. Zydus Wellness has consistently been certified as a “Great Place to Work” (GPTW) for March, 2022 to March, 2023 and January, 2024 to January, 2025. This involves completing the Culture Audit, rolling out a survey, and communicating the results, followed by action planning. To enhance understanding of the survey questionnaire and encourage honest feedback, the company has launched the survey in multiple languages. Over 70% of employees from both corporate and field locations participated in the survey. In addition to this, a Pulse Survey will be conducted for Zydus Wellness’ employees & workers in 2024. The GPTW survey aims to assess various levels.

- Perceived trust, arising from the level of awareness of business information and trust in leadership decisions
- Manager support and feedback system
- Collaboration, amongst functional and cross-functional units
- Work positivity and productivity
- Work Hygiene, enabled by continuous learning environment, clarity in the role and making a positive difference to the business

All of which consolidates to a “Wellness Index”.

OHS Programs:

Indicator	Details
OHS Policy	https://www.zyduswellness.com/investor/Occupational%20Health%20and%20Safety%20Policy.pdf
OHS Management System	Manufacturing plants at Ahmedabad and Sikkim are ISO 45001: 2018 (OH&S) certified & Aligarh plant is in process of certification.

Zydus Wellness follows a comprehensive Safety Management System to ensure a safe workplace environment. Some of the key aspects are:

1. OHS Risk Assessment:

- Systematic identification of potential hazards in the workplace.
- Assessment of risks to understand what could cause harm.

2. Prioritization and Target Integration:

- Quantified targets established to address identified risks.
- Integration of action plans to mitigate risks and enhance safety.

3. Emergency Preparedness:

- Integration of actions to prepare for and respond to emergency situations.
- Employee training on emergency evacuation, fire extinguisher operation, and rescue methods.

4. Progress Evaluation:

- Management evaluates progress in reducing health and safety risks against predefined targets.
- Internal inspections are conducted to ensure ongoing safety compliance.

5. Incident Investigation:

- Procedures in place to investigate work-related injuries, illnesses, diseases, and incidents.
- Adequate measures implemented to prevent recurrence.

6. OHS Training:

- Training programs provided to employees and relevant parties to raise safety awareness.
- Topics include machine safety, hazard reporting, defensive driving, and more.

7. Procurement and Contracts:

- OHS criteria incorporated into procurement and contractual requirements to ensure safety compliance.

Zydus Wellness's safety initiatives include regular training, awareness programs, mock drills, and a dedicated Occupational Health Centre with visiting doctor facilities, contributing to a culture of safety and striving for the goal of "Zero Harm." The organization places high importance on waste management, proper use of personal protective equipment (PPE), and maintaining a safe working environment.



Fatalities:

Fatalities	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Employees	Nil	Nil	Nil	Nil
Contractors	Nil	Nil	Nil	Nil

Lost-Time Injury Frequency Rate (LTIFR):

Indicator	Unit	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Employees	LTIFR (n/million hours worked)	Nil	Nil	Nil	Nil
Data Coverage	Operations	100%	100%	100%	100%

Indicator	Unit	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Contractors	LTIFR (n/million hours worked)	Nil	Nil	Nil	Nil
Data Coverage	Contractors	100%	100%	100%	100%

Create and Ideate

Maintaining ourselves as one of the top consumer wellness product manufacturers for decades needs significant efforts on Research and Development (R&D). We have a dedicated research and development center in Ahmedabad. This state-of-the-art facility houses a 23-member team, one-fourth of which consist of women, to conduct research across product development phases as well as packaging.

Category	Unit	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
R&D Spends	Million ₹	92	90	95	85
R&D Spends as % to sales	%	0.52%	0.48%	0.47%	0.38%
No. of R&D positions	No.	22	22	25	23
	Male	17	17	19	17
	Female	5	5	6	6

Development of Health & Nutrition Strategy

Our Policy Statement

At Zydus Wellness, we recognize the pivotal role that Health & Nutrition play in the well-being of individuals, communities, and our planet. We serve as a testament to our unwavering commitment to fostering a healthier world and articulates why Health & Nutrition are central pillars of our corporate ethos. We align our business strategy with Health & Nutrition principles, contributing to the welfare of stakeholders.

Our philosophy and vision prioritize health as the cornerstone of a fulfilling life. We meticulously craft products to enhance nutrition, ensuring they meet the highest standards, from ingredient selection to manufacturing processes.



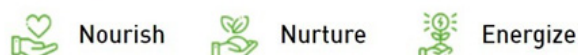
Our Philosophy **'Wellness for all'**

6 leading brands in our portfolio, Complian, Sugar Free, Glucon-D, Everyuth, Nycil and Nutralite.



"To bring wellness to your life"

Our vision is to bring wellness to your life. We create new products that will **Nourish**, **Nurture**, and **Energize** your life.



We shall lead the way through innovation

Here are our brands:

1. **Complan:** Complan is a 75+ year-old brand which has been present in Indian households for more than 5 decades. Complan's best formula has '100% first class protein' and '34 vital nutrients', which: Provides '2 times faster growth' & improved weight, supports immunity, helps brain development and it's functioning maintains fluid balance in the body.
2. **Sugar Free:** Sugar Free is a name synonymous to the sugar substitute category. With the growing awareness about diet, exercise and health, urban individuals have woken up to the ill-effects of excessive sugar consumption. Sugar Free serves as the smartest solution for this not-so-sweet situation.
3. **Glucon-D:** Glucon-D Regular variant is a rich source of Vitamin-D and flavor variants are a rich source of Vitamin-C. Hence, Glucon-D not only provides Instant Energy but also helps support immunity.
4. **Everyuth:** The products are fortified with the power of natural ingredients that are known for their efficacy and skin nurturing properties. It promises nature's safety and goodness along with the benefits of proven scientific research.
5. **Nycil:** The #1 brand in prickly heat & cooling powder category. Nycil has anti-bacterial formula that provides 5 benefits: absorbs sweat, calms rashes, fights body odour, prevents prickly heat and soothes itching.
6. **Nutralite:** Products under this brand have been at the forefront in providing a healthy-yet-tasty experience through its Doodh Shakti range - Probiotic Butter Spread and Pure Ghee, Table Spread, Mayonnaise and Choco Spread range.

The Zydus Wellness Institute, an educational initiative by Zydus Wellness is dedicated to advancing nutrition science and innovation. For more details refer: <https://zyduswellnessinstitute.com/>

For details: <https://www.zyduswellness.com/partner-with-us.php>

Our leadership emphasizes creating enduring health and nutrition experiences for the society.

Leadership Quotes:

Lalit Ahuja, Head of Sales India and subcontinent

Sales for us is beyond the obvious. We are driven by our vision to empower our consumers to nurture their health and wellness by ensuring within arms reach for our powerful portfolio. We do this with zeal to serve our 50 crore consumers in the country every day, any where

Abhijeet Sahu, Head International Business

At Zydus Wellness, there is an unwavering drive to do right by the consumer, whether it's in India, the Middle East, Africa or New Zealand. Backed by science, market-leading brands, and a consumer-centric approach, we are on a mission to provide nourishment and wellness to consumers worldwide. I am proud to contribute in this important journey.

Saurabh Jain, CMO

After spending 12 years with a leading MNC, I've been with Zydus Wellness for over a year now. What inspires me the most is the uncompromising organizational culture of 'consumer centricity'. It really sets the tone for everything we do under our multiple pioneering. Iconic brands like Glucon-D, Sugar Free, Nycil, Complian, Nutralite and Everyuth, designed to help people nourish, nurture or energize their lives. As the CMO, I feel privileged to be leading a group of passionate marketers and agency partners committed towards making Zydus Wellness of the best consumer marketing organizations and making a difference in millions of lives in a meaningful way.

Our Strategic approach to Health and Nutrition

Particulars	Description
Advisory panel on health & nutrition established	Zydus Wellness has formed an advisory board with the key opinion leaders in the field of food science, nutrition, packaging, technology, medicine etc. The board comprises of key opinion leaders from reputed bodies/ institutes/ organizations. The objective of forming this board is to guide Zydus Wellness on research and innovation in the space of health/ nutrition to be able to cater to changing nutritional needs of the consumers through meaningful products.
R&D centers focused on health & nutrition established	Zydus Wellness institute is established in the Company. It is a platform that has been established to foster research, innovation in the field of health and nutrition. We have 2 nutritionists employed within Zydus Wellness to help in formulating nutritional products. The focus of R&D has specially been on formulating products keeping in mind the nutritional requirements of the population. For more details refer: https://zyduswellnessinstitute.com/
R&D health & nutrition focus area defined	Core health and nutrition focus areas have been defined. These are sweetener science, protein nutrition, paediatric nutrition, adult nutrition, lipid sciences, gut microbiome, and immunity.
Measurable "healthy nutrition" criteria defined for product innovations	The products are designed keeping in the mind the nutritional needs of the target segment. We adhere to the strict regulatory guidelines. None of the product exceeds nutritional delivery of more than 100% RDA (recommended dietary allowance) to avoid excess intake of micronutrients. For claiming any nutrients on the pack, we deliver at least 15% RDA of specific nutrient. For claiming any health benefits, we deliver up to 30% RDA of nutrients. The products are further proven for safety and efficacy through various preclinical and clinical studies. The clinical trials are conducted as per the Indian and global guidelines and are registered on CTRI (Clinical Trial Registry of India).
Measurable "healthy nutrition" criteria defined to measure nutritional progress of existing product portfolio.	We develop formulations based on the need gap assessment of the intended consumer. A thorough review of literature and national health reports etc. is done to understand the public health issue and a rationale for addition / deletion of nutrients / ingredients is determined. There are no specific measures/ milestones established, yet product innovation and renovation are rationalized based on the consumer need for gap analysis.

Marketing Self-Regulation on Health & Nutrition:

In line with our commitment to the RDA 2020 guidelines, we have recently reassessed the nutrient composition of our products, making necessary adjustments to optimize formulations in alignment with the revised micronutrient standards. Our stringent adherence to regulatory protocols, including the Food Safety and Standard Act & Regulations, Legal Metrology Act (Packaged Commodity) Rules, Bureau of Indian Standards, and Agriculture Marketing (AGMARK), underscores our dedication to maintaining compliances across all product lines.

Furthermore, our unwavering commitment to responsible nutrition is evident in our

product offerings, ensuring that no product exceeds 100% RDA per 100 g for any claimable nutrient. We have diligently standardized the Nutritional Facts tables across all brands, emphasizing a minimum of 15% RDA as part of our source claim criteria. Notably, our product artwork now includes the % RDA declaration for six key nutrients, including Energy, Fat, Saturated Fat, Added Sugar, Sodium, and Trans-Fat, promoting transparency and informed consumer choice.

Moreover, our ingredient lists meticulously adhere to prescribed regulatory norms, reinforcing our dedication to quality and safety. To further enhance consumer awareness, we have implemented

comprehensive front and back-of-pack labelling systems in strict accordance with the guidelines outlined in the Food Safety and Standard Act and related regulations. Through these measures, we remain steadfast in our pursuit of promoting responsible and transparent marketing practices, prioritizing the health and well-being of our consumers.

The Company has recently adopted Ethical and Responsible Marketing Policy which is available on the website of the Company at <https://www.zyduswellness.com/investor/Ethical%20and%20Responsible%20Marketing%20Policy.pdf>

Programs on Marketing and Self-Regulation:

- Sponsored HADSA webinar on Safety and Efficacy of Low-Calorie Sweeteners considering Public Health Challenges in India.
- Certified course on Sweeteners: In association with F1st a certificate program on sweeteners is launched titled as Sugar reduction reformulation expert course. It is meant for students and young industry professionals. It aims to equip the participants with the science of sugar reduction in the formulations, understand non-nutritive sweeteners, its role in health, and developing various formulations using NNS. It is a 25-lecture program and is being deployed online using LMS platform.
- » Our company prioritizes health and nutrition in our products, advocating for their importance through ethical advertising. Check out snapshots from our campaigns that underscore our commitment to promoting wellness and educating consumers about its significance.

Complan - Superior Nutrition Campaign

Glucon D - Campaign with Pankaj Tripathi

Sugar Free - Endorsement with Katrina Kaif

Nutralite - Endorsement with Shilpa Shetty

Everyuth - Active Instagram Presence

Sugar Free - Influencer driven testimonials

Glucon-D

New Flavor 'Mango Blast' launched under Glucon-D

Restarted Immunovolt campaign

Sugar Free

'Fitness Ka Pehla Kadam' with Katrina Kaif!

'Sugar Free Sundays' with Sanjeev Kapoor!

Influencers to drive WOM & Recommendation

Integrating Sugarlite along with recipes made by Chefs & Digital Mother Influencers

In school activation to engage kids

SF Green Sampling with Tata Tea Gold

Sugar free campaign on Disney Hotstar

Our Commitments

Tax Commitment

At Zydus Wellness, we uphold a steadfast commitment to tax compliance, operating in accordance with laws and regulations across all jurisdictions where we conduct business. This commitment extends to international treaties and tax guidelines, fostering open and constructive relationships with tax authorities based on mutual respect.

Key Commitments:

- **Payment of Due Taxes:** We ensure the timely payment of corporate income tax, customs duties, stamp duties, employment taxes, and various other taxes as per the regulations of each operating country.
- **Transparent Transactions:** We conduct transactions between group companies in adherence to local fiscal considerations, including transfer pricing guidelines.
- **Corporate Responsibility:** We view taxes paid and collected as integral to our corporate responsibility, avoiding unjustified claims and assessing tax risks diligently.
- **Tax Principles:** Our tax principles focus on compliance with transfer pricing regulations, and responsible use of tax incentives.

In addition, we ensure compliance with financial and tax reporting norms, maintain transparency in relationships with governments, and pay various taxes contributing to the economic development of the regions in which we operate. Our tax governance and risk management framework, led by experienced professionals, strives to address diverse tax challenges worldwide, emphasizing compliance, transparency, and accountability. Our commitment lies in being tax compliant, meeting obligations globally with diligent professional care and judgment.

Vendor Code of Conduct Commitment

At Zydus Wellness and its affiliates, we deeply value our extended family of vendors, considering them integral partners in our journey of progress. With over 35 years of establishing ourselves as a reliable business with unwavering ethics, transparency, and integrity, we maintain a strict no-tolerance policy for unethical business practices. This commitment extends to both direct and indirect activities, emphasizing our dedication to fair business practices and maintaining the highest ethical standards.

Our Code sets forth fundamental requirements for vendors, emphasizing commitments to environmental protection, minimum wages, child and forced Labour, anti-bribery, anti-corruption, health, safety, and more within the value chain.

Key Commitments:

- Ethical Business Practices: Zydus has a no-tolerance policy for bribery, favours, gifts, kickbacks, or any form of unethical practices, emphasizing honesty, integrity, and a commitment to ethical conduct.
- Environmental Pillar: Vendors are expected to comply with environmental regulations, implement energy, emission, water, and waste management systems, promote sustainable supply chain practices, and resource efficiency, and contribute to biodiversity and animal welfare principles.
- Social Pillar: Our commitment to human rights includes ensuring freedom from discrimination and harassment, child labour, and forced labour, while upholding workers' rights to association, collective bargaining, fair wages, and safe working conditions.
- Governance Pillar: Vendors must comply with legal and regulatory requirements, adhere to fair trade practices, and refrain from unfair advantage, bribery/corruption, conflict of interest or anti-competitive behaviour. The Code also covers areas such as intellectual property, data privacy, and grievance redressal mechanisms.
- Compliance Commitment: Zydus expects vendors to comply with the Code in both letter and spirit, understanding and upholding its values throughout the business association. Adherence to applicable laws and regulations is paramount for a successful and ethical partnership with Zydus.

Our commitment to fair and ethical business practices reflects not only our values but also our dedication to fostering a trustworthy and transparent business ecosystem within our industry.

No deforestation commitment

- At Zydus Wellness, we strive to ensure that business activities are performed in the sustainable manner without disturbing the ecosystem.
- The Company make efforts to operate its units in an environment-friendly manner and are committed for no deforestation.
- The Company shall make conscious efforts to reduce paper consumption in applications like product packaging and explore innovative solutions to strengthen no deforestation commitment.
- The Company shall comply all the applicable regulatory requirements related to environment and forest conservation etc.
- The Company shall educate and encourage its vendors, contractors, and service providers to minimize utilization of natural resources in logistics and recycling material and maximize reuse and recycled material with desired quality for packaging applications.

Food Loss & Waste commitment

Zydus Wellness stands resolute in minimizing food loss and waste across its supply chain and manufacturing processes. Recognizing the criticality of addressing this issue for food security, environmental sustainability, and economic efficiency, we also pledge to establish Company wide target to reduce the total weight of food loss and waste.

Key Commitments:

- Measurement & Data Collection: We have established efficient system to track food loss & waste.
- Awareness & Education: We promote programs to educate all supply chain and our operations team to reduce the total volume & intensity of food loss and waste levels.
- Regulations & Standards: Adherence to government regulations and setting guidelines for responsible date labelling.
- Infrastructure & Technology: Developing suitable infrastructure and technology to minimize waste.
- Supply Chain Efficiency: Streamlining logistics and embracing best practices.
- Food Re-collection: We will establish programs to collaborate with upstream & downstream partners to reduce the amount of food loss & waste in the value chain and initiating surplus food collection for re-distribution or re-processing.
- Research & Innovation: Supporting R&D for breakthrough solutions.
- Collaboration: Partnering with various entities for effective policy implementation.
- Monitoring & Evaluation: Continuously assessing policy effectiveness at all supply chain levels.

Animal Welfare Commitment

Zydus Wellness extends its commitment beyond human sustainability to ensure the welfare of animals within our supply chain, particularly in procuring milk. While not directly engaged in animal handling, Farm Animal Welfare is a crucial focus area for us. As a minimum, full compliance with local laws and regulations with respect to animal welfare and safety is expected by all suppliers to Zydus Wellness. In addition to individual Company commitments, Zydus Wellness invites our suppliers to work with us to support basic animal welfare standards. This includes our commitment to the Five Freedoms for animals under human control.

Key Commitments:

- Freedom from hunger or thirst by ready access to fresh water and a diet to maintain full health and vigor.
- Freedom from discomfort by providing an appropriate environment including shelter and a comfortable resting area.
- Freedom from pain, injury or disease by prevention or rapid diagnosis and treatment.
- Freedom to express normal behaviour by providing sufficient space, proper facilities, and appropriate company of the animal's own kind.
- Freedom from fear and distress by ensuring conditions and treatment that avoid mental suffering.

Additionally, we believe and promote our suppliers request selling animal products to implement:

- The application of antibiotics and our commitment to minimize the routine application of antibiotics for prophylactic purposes in their animal production operations.
- A commitment not to use genetically modified or cloned animals.
- A commitment not to apply growth promoting substances, such as hormones, to animals.
- Any other animal welfare related data or commitments that they may have.
- Audits of their animal production operations, if any.

Sustainable Agriculture Commitment

As a food products & personal care products Company, Zydus Wellness relies on stable high-quality agricultural raw materials including fresh water in our supply chain. We commit to work with our own production facilities & all our suppliers to adopt sustainable agricultural practices. This includes our commitment to the following:

1. Programs to reduce water consumption.
2. Programs to reduce environmental pollution.
3. Programs to protect soil health.
4. Programs to prevent the destruction of ecosystems.
5. Programs to reduce GHG emissions.

Annexure

Annexure 1: ISO 14001 Certifications for factories:

- <https://www.zyduswellness.com/investor/3.%20ISO%2014001-2015%20Certificate%20-%20Sikkim%20plant.pdf>
- <https://www.zyduswellness.com/investor/2.%20ISO%2014001-2015%20Certificate%20-%20Ahmedabad%20plant.pdf>

Annexure 2: ISO 45001 Certifications for factories:

- <https://www.zyduswellness.com/investor/5.%20ISO%2045000-2018%20Certificate%20-%20Sikkim%20plant.pdf>
- <https://www.zyduswellness.com/investor/4.%20ISO%2045000-2018%20Certificate%20-%20Ahmedabad%20plant.pdf>

Annexure 3: FSSC 22000/ ISO 22000 Certifications for all our factories:

- <https://www.zyduswellness.com/investor/8.%20FSSC%2022000%20Certificate%20-%20Sikkim%20plant.pdf>
- <https://www.zyduswellness.com/investor/7.%20FSSC%2022000%20Certificate%20-%20Aligarh%20plant.pdf>
- <https://www.zyduswellness.com/investor/6.%20FSSC%2022000%20Certificate%20-%20Ahmedabad%20plant.pdf>

Our Governing policies

Sr. No.	Policies	Links
1	ESG Policy	www.zyduswellness.com/investor/ESG%20Policy.pdf
2	Anti-Bribery and Anti-Corruption Policy	www.zyduswellness.com/investor/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf
3	Human Rights Policy	www.zyduswellness.com/investor/Human%20Rights%20Policy.pdf
4	Diversity & Inclusion Policy	www.zyduswellness.com/investor/Diversity%20and%20Inclusion%20Policy.pdf
5	Biodiversity Policy	https://www.zyduswellness.com/investor/Biodiversity%20Policy.pdf
6	Ethical and responsible marketing Policy	https://www.zyduswellness.com/investor/Ethical%20and%20Responsible%20Marketing%20Policy.pdf
7	Risk Management Policy	https://www.zyduswellness.com/investor/Risk%20Management%20Policy.pdf
8	Occupational Health and Safety Policy	https://www.zyduswellness.com/investor/Occupational%20Health%20and%20Safety%20Policy.pdf
9	Environmental Health & Safety Policy	https://www.zyduswellness.com/investor/Coroprate-EHS-policy.pdf
10	Non-Discrimination and Anti-Harassment Policy	https://www.zyduswellness.com/investor/zwl-posh-policy-feb-20.pdf
11	Environment Policy	https://www.zyduswellness.com/investor/Environment%20Policy.pdf
12	CSR Policy	https://www.zyduswellness.com/investor/CSR-Policy-ZWL-01.02.2021.pdf
13	Policy on Related Party Transactions	https://www.zyduswellness.com/investor/Policy-on-Related-Party-Transactions-March-2022.pdf
14	Policy on the Preservation of Documents	https://www.zyduswellness.com/investor/Policy-on-Preservation-of-Documents.pdf
15	Dividend Distribution Policy	www.zyduswellness.com/investor/Dividend%20distribution%20policy.pdf
16	Whistleblower Policy	https://www.zyduswellness.com/investor/whistle-blower-policy-revised-may-28-2019-final.pdf
17	Code of Business Conduct-Employees	www.zyduswellness.com/investor/Zydus%20Business%20Conduct%20Policy.pdf
18	Code of Conduct for Vendors	www.zyduswellness.com/investor/code-of-conduct-for-vendors-feb-2023.pdf

19	Board Diversity Policy	www.zyduswellness.com/investor/board-diversity-policy-feb-23.pdf
20	NRC Policy	www.zyduswellness.com/investor/nrc-policy-feb-23.pdf
21	Code of Business Conduct and Ethics Policy	www.zyduswellness.com/investor/code-of-business-conduct-and-ethics-policy.pdf
22	Policy on Determination of Legitimate Purpose for sharing UPSI	www.zyduswellness.com/investor/policy-on-determination-of-legitimate-purpose-for-sharing-upsi.pdf
23	Archival Policy	www.zyduswellness.com/investor/archival-policy.pdf
24	Policy for Inquiry in case of Leakage of UPSI	www.zyduswellness.com/investor/Policy-on-inquiry-on-leakage-of-UPSI.pdf
25	Policy on Preservation & Utilization of Stationery	www.zyduswellness.com/investor/Policy-for-monitoring-stationery-etc-as-per-SEBI-Circular.pdf
26	Policy for determining Material Subsidiaries	www.zyduswellness.com/investor/Policy_to_determine_Material_Subsiidiary.pdf
27	Policy for determination and Disclosure of Materiality of an Event or Information and its Disclosure	https://www.zyduswellness.com/investor/Policy%20to%20determine%20materiality%20of%20an%20event%20or%20information.pdf
28	Policy on Fair Disclosure and Conduct and Code of Prevention of Insider Trading	www.zyduswellness.com/investor/policy-on-insider-trading-feb-19.pdf
29	Public Policy	www.zyduswellness.com/investor/public-policy.pdf

Annual report of Zydus Wellness FY 2022-23

www.zyduswellness.com/investor/Annual%20Report%202022-23.pdf

ESG report of Zydus Wellness FY 2021-22

[https://www.zyduswellness.com/investor/Zydus%20Wellness%20Designed%20ESG%20report%20FY%202021-22%20\(Final\).pdf](https://www.zyduswellness.com/investor/Zydus%20Wellness%20Designed%20ESG%20report%20FY%202021-22%20(Final).pdf)

Awards and Recognitions

Manufacturing Awards



Most Preferred Workplace



India Star 2022 Packaging Awards



Excellence in Global Supply Chain Solutions

Awarded at 14th Express Logistics & Supply Chain Solutions Leadership Awards



Small Budget Campaign on social media platforms

Small Budget Campaign
on social media platforms



Awarded at
ET Brand Equity SPOTT Award



Award at E4M Health Marcom

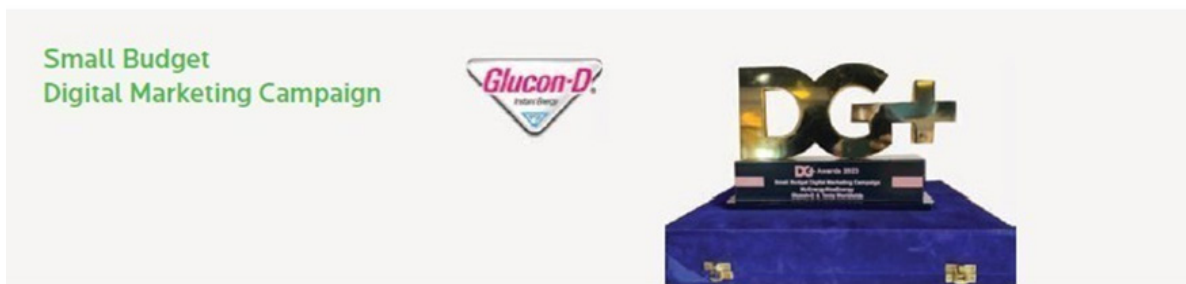
Silver - Best Integrated Campaign
Bronze - Best Social Media Campaign



Campaign – Baccho Ka Khel



Small Budget Digital Marketing Campaign



Gold Award Best Use of Content Marketing



Recognitions Awarded by Great Place To Work



Great Place To Work -
Certified from January, 2024
to January, 2025



Great Place To Work -
Certified from March, 2022
to March, 2023



Zydus Wellness Ltd.

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