

We bring  
**Wellness**  
to your life.



Wellness is all about making choices for a healthy life... it's about maintaining a healthy lifestyle and doing what is right for your body. Wellness is a state of being that makes you feel good about yourself.

That's exactly what we at Zydus Wellness aim to do; offer products which are Good-for-You, helping you embrace Wellness.

Our products, take care of age appropriate nutritional needs, sweeten your smiles without adding to your calories. We create new experiences through new emergent categories.

We believe that we can nourish, nurture and energise your life in a happy way. Embracing Wellness comes with the freedom of choice; to do what's right to improve the quality of life.

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## In this Report

**03.**  
About the  
Report

**22.**  
Life @  
Zydus

**39.**  
Safe  
and  
Secure

**03.**  
About  
Zydus Wellness



**43.**  
Ethics and  
Accountability

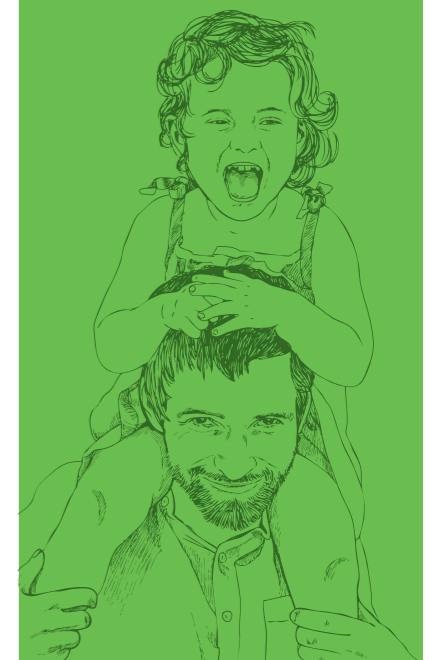
**10.**  
Message from  
Leadership

**30.**  
Transforming  
Lives beyond Business

**55.**  
Supplementary  
Information on  
ESG

**12.**  
The  
Material Topics  
Identified by our Report  
Zydus Wellness  
Stakeholders

**31.**  
Integrating  
Sustainability  
along our  
Supply Chain



**15.**  
Planet Action

**34.**  
Create  
and  
Ideate

## About the Report

We, at Zydus Wellness Limited ("Zydus Wellness"), 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 report focuses on the period between 1st April 2021 to 31st March 2022 (FY 2021-22) and is aligned with the Global Reporting Initiative (GRI) Universal Standards which are in effect for reporting from 1st January 2023. The reporting boundary comprises the Corporate Offices of Zydus Wellness and its subsidiaries head office situated at Ahmedabad and the 4 manufacturing plants situated at

Aligarh,  
Uttar Pradesh  
(1 Unit)

Ahmedabad,  
Gujarat  
(1 Unit)

Sitarganj,  
Uttarakhand  
(1 Unit)

Sikkim  
(2 Units)

## About Zydus Wellness

### Company Overview

Established in 1994, Zydus Wellness is a leading consumer wellness company with an Indian heritage and a global footprint.

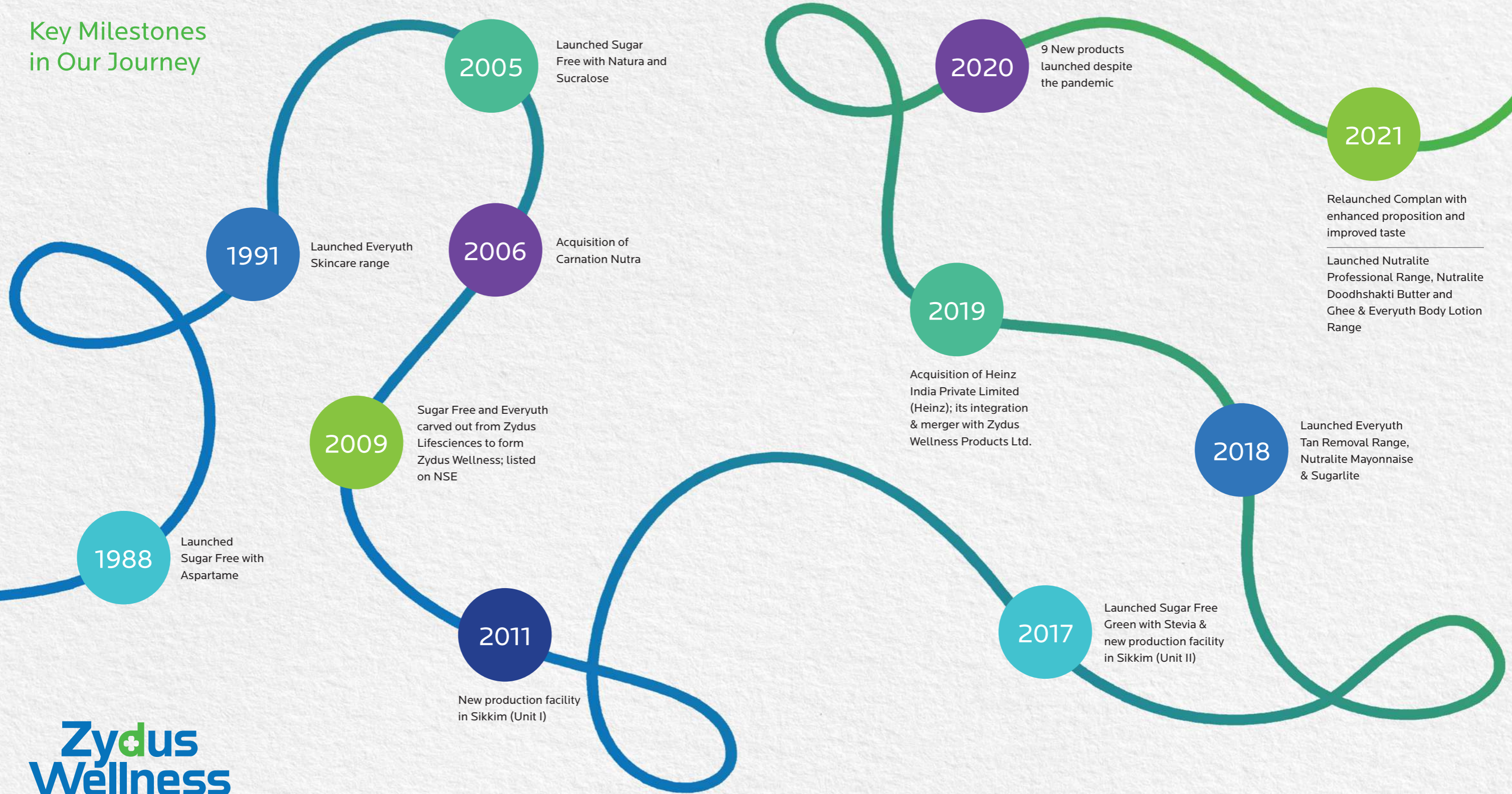
We believe that a healthy lifestyle is not just about being active but also about feeling good from within. So, we approach health and wellness in a holistic manner. We nourish, nurture and energize millions of lives by offering a variety of innovative, industry leading products. With over 30 years of 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 a portfolio of seven market leading brands, namely Sugar Free, Sugarlite, Glucon-D, Nutralite, Everyuth, Nycil and Complian.

Headquartered in Ahmedabad, we have 5 manufacturing facilities currently. We also have co-packing facilities in India, Oman and New

Zealand. The Company enjoys a pan-India marketing presence through a distribution network comprising 1700+ distributors and ~2000 feet-on-street representatives. The Company's distribution competence has been facilitated by investment in 24 integrated warehouses, which can serve both its cold chain and ambient range of brands. Today the Zydus Wellness business spans over 25 countries and 3 continents.

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 17th June, 2022, passed a resolution to cease the operations of Sitarganj manufacturing facility.

### Key Milestones in Our Journey



## Vision and Guiding Philosophy

Our vision is to bring wellness to your life. We create new experiences with our products that will nourish, nurture and energize our consumers. We lead the way through innovation. This vision is translated in our day-to-day actions by a set of guiding principles, we call the “Zydus Way of Being”.



## 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 95.7% as per MAT March 2022 Report of IQVIA
- Specific brand extensions include:
  - Sugar Free Gold: Sugar alternative made from Aspartame (protein derivative)
  - Sugar Free Natura: The product contains Sucralose, globally identified as a zero-calorie sweetener
  - Sugar Free Green: 100% Natural offering of Sugar Free made from Stevia. New formulation developed in 2020-21 using a new, better-tasting stevia
- The product was awarded as, “Ingredient Company of the Year” under the “Weight Management” category in 2022 by India Food Nutrition Summit and Awards



### Sugar Free D’lite Dark Chocolates and Oat Cookies

- Sugar Free D’lite dark chocolates are made from natural sweeteners and contain a minimum of 50% cocoa. The dark chocolate portfolio comprises four flavors: Dark Rich Cocoa, Dark Hazelnut flavor & 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



### Sugarlite

- Launched in 2018, Sugarlite is India’s first blended sugar product
- It contains 50% lesser calories as compared to regular sugar
- The product contains sugar blended with natural stevia extract and helps with weight management



### 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
- As per the Brand Equity Survey conducted by Economic Times in 2020, Glucon-D has maintained number one position with a market share of 58.5% in the Glucose Powder Category as per MAT March, 2022 Nielsen report
- Glucon-D ImmunoVolt - specially made to build kid’s immunity in a tasty way.



**Nutralite**

- Leader in substitute products for butter and low calorie spread in the country
- It contains cholesterol fighters like PUFA (polyunsaturated fatty acids) and MUFA (monounsaturated fatty acids) and cuts on hydrogenated fat
- In March 2022 we launched Nutralite DoodhShakti (Probiotic Butter) which contains 1 billion probiotics in a single serving to support immune system and re-launched “Yummy Spread” and “Nutralite Professional” range to expand presence through institutional channels
- Fulfilling taste and immunity needs with our Nutralite DoodhShakti range of products made with fresh creamy milk.
- Nutralite DoodhShakti Pure Ghee contains vitamin A and milk fat, making it a rich source of energy for children.



**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 peel off masks, scrubs, face washes, and body lotions
- Everyuth Scrub has maintained its number one position with a market share of 39.0% in the Facial Scrub Category
- Everyuth Peel-off has maintained its number one position with a market share of 76.2% in the Peel-off Category
- The brand is at the 5th position with a market share of 6.5% for overall Facial Cleansing Segment



**Nycil**

- The product has been in existence since the last 50 years and has been one of the most trusted prickly heat powder brands and has established efficacy through its unique antiseptic formula; protection from sweat, body odor, rashes, itching and heat.
- Nycil has maintained its number one position with a market share of 33.7% in the Prickly Heat Powder Category
- Also, the brand extended its equity with Nycil Hand Sanitizers, its unique formulation is enriched with neem and Aloe Vera and Kills 99.9% Germs instantly
- Soothing body Mist, the product has an aqueous base formula to treat prickly heat, rashes, allergies, dryness, roughness and inflammation. It has an anti-bacterial effect on the skin. The product is dermatologically tested for safety & clinically proven for its efficacy.



**Complan**

- Trusted heritage brand of 80+ years with 90% brand recognition
- Clinically proven positive effects on cognitive abilities (memory and concentration) along with 2x height
- Strong Health and Nutrition credentials with highest protein against all competing brands
- The brand's market share stood at 5% in the Health Food - Drink (HFD) category as per MAT (Moving Annual Total) March, 2022 Nielsen report
- During FY 2021-22 the brand was relaunched with improved taste, packaging and strengthened its proposition on cognitive improvements
- The product was awarded as, “Healthy Dairy Brand of the Year” in 2022 by India Food Nutrition Summit and Awards





## Message from Leadership

**Mr. Tarun Arora**  
CEO & Whole Time Director  
Zydus Wellness Ltd.

### A purpose to strengthen the core of wellness

We exist to champion our purpose of “Wellness for our consumers”. This is deeply ingrained in our company’s DNA and empowers us to do better for all our consumers, enabling us to provide them with better product options to improve their health and well-being.

Our consumer needs are ever evolving, and I am always inspired by our company’s commitment to meeting the market expectations and demands by investing in exceptional innovations to focus on portfolio diversification and expansion. Over the years we have leveraged our capabilities to create unique propositions by focusing on manufacturing integrity, supply chain efficiency and product innovation and become one of the leaders in the consumer health domain.

We are cognizant of the fact that as a responsible corporate citizen, our role goes beyond generating revenue while we expand our portfolio and our reach by focusing on international markets and category development in the existing markets. Although this is the first publication of our ESG Report, our commitment to building a responsible and sustainable business has been one of the core principles of our operations from the very beginning. This has ensured our actions and operations leave no significant negative impact on people and the environment we operate in. This ESG Report is our first in-depth account of our approach to sustainability.

### Commitment to building a stronger organizational culture

Our workforce forms the backbone of our operations, and we see it as our responsibility to build long-lasting relationships with our people. We recognize that it is the shared culture and attitudes that turn each employee into our company’s combined success. To achieve this, we have committed to long-term strategies to invest in our people, and support and promote the collaborative spirit of our workforce throughout the year.

We are strengthening our position as one of the best-performing companies by promoting inclusion and diversity at our company. Currently, 14.3% of senior management positions within the organization are held by women and in the coming years, we aim to amplify our efforts to create a dynamic and inclusive workforce. A good working environment is key to attracting and retaining the best talents. Our employee development and training programs are central to elevating our employees’ experience at our company. They enable us to work towards our company’s vision of creating new experiences through our products that nourish, nurture and energize everyone’s life. It is a testament to our efforts that we have been recognized as a “Great Place to Work” in FY 2021-22.

### A promise to keep for the forthcoming future

We pursue a systematic, long-term approach to our company’s operations. This is marked by operational excellence, reduction of our company’s environmental footprint, and promotion of ethical and responsible business practices throughout our business. We care deeply about the ongoing climate crisis and are determined to reduce our impact on the environment. An initial step in this direction is the creation and active involvement of the CSR and ESG committee in decision making.

As part of the larger plan to reduce our impacts over the years, we have been monitoring our energy, waste and water related metrics and implementing measures to tackle necessary issues at plants. In its endeavor to become leaner and a more efficient organization, the company has commenced various initiatives across its key functions through Transformation 2.0 program. These are focused on digitization of processes across the value chain to be future-ready by becoming more agile and riding on the digital ways of working. Highlights of which include:

Digitizing the entire logistics via a Transport Management Solution that will help reduce the freight costs and optimization of logistics

Implementing Integrated Business Planning (IBP) tool to automate the demand planning, supply planning and sales & operations planning (S&OP) which will result in improving the On Time in Full (OTIF) at the granular level, better availability, reduce cost, waste and at the same time ensuring appropriate usage of the inventory

Implemented employee friendly HRMS tool, “Adrenalin”, a one stop solution for employees providing services like tracking leave and attendance, carrying out in depth performance appraisal and feedback system and making available income tax records of employee online ect.

Implemented Vendor Invoice Processing (VIM) – The key aim for implementing VIM was to optimise and simplify the process of receiving, validating, managing, routing and monitoring of vendor invoices and facilitate easy collaboration with stakeholders within the Procure to Pay process.

Continuous upgrading the currently information technologies backbone and digit footprint used such as SAP S/4 Hana, Distributor Management Systems (DMS), Vendor management and reverse auction platform (ARIBA), and other application.

We believe that with an effective and impactful ESG governance framework, we can systematically manage our operations and enhance our impact on society and the environment. With this in mind, we are in the process of finalizing mandates for the CSR and ESG committee, which is to be effective from the next financial year. Infusion of ESG into the business strategy is on priority for myself and rest of the team. We, along with the whole of board acknowledge the emerging risks associated with changing climate, customer behavior, social economic framework, Corporate Governance and cybersecurity are putting right actions in place, driving relevant and adaptive interventions.

We are very strongly committed to fulfilling our stakeholder’s expectations and balancing between environmental footprints, health and wellness of our consumers and society at large. We are also dedicated to our Corporate Social Responsibility activities viz. promoting education/ knowledge enhancement, providing safe water and sanitation, healthcare/ medical facility, environment protection, Skill development / Empowerment, Community Development and others as may be decided. We as an organization are true believer and executor of highest standard of Corporate Governance Practices complying with laws of the land where we conduct our business operations.

To conclude, from the bottom of my heart, I want to thank each and every employee at Zydus Wellness for their dedication to the company and for their efforts in furnishing the first ESG Report.

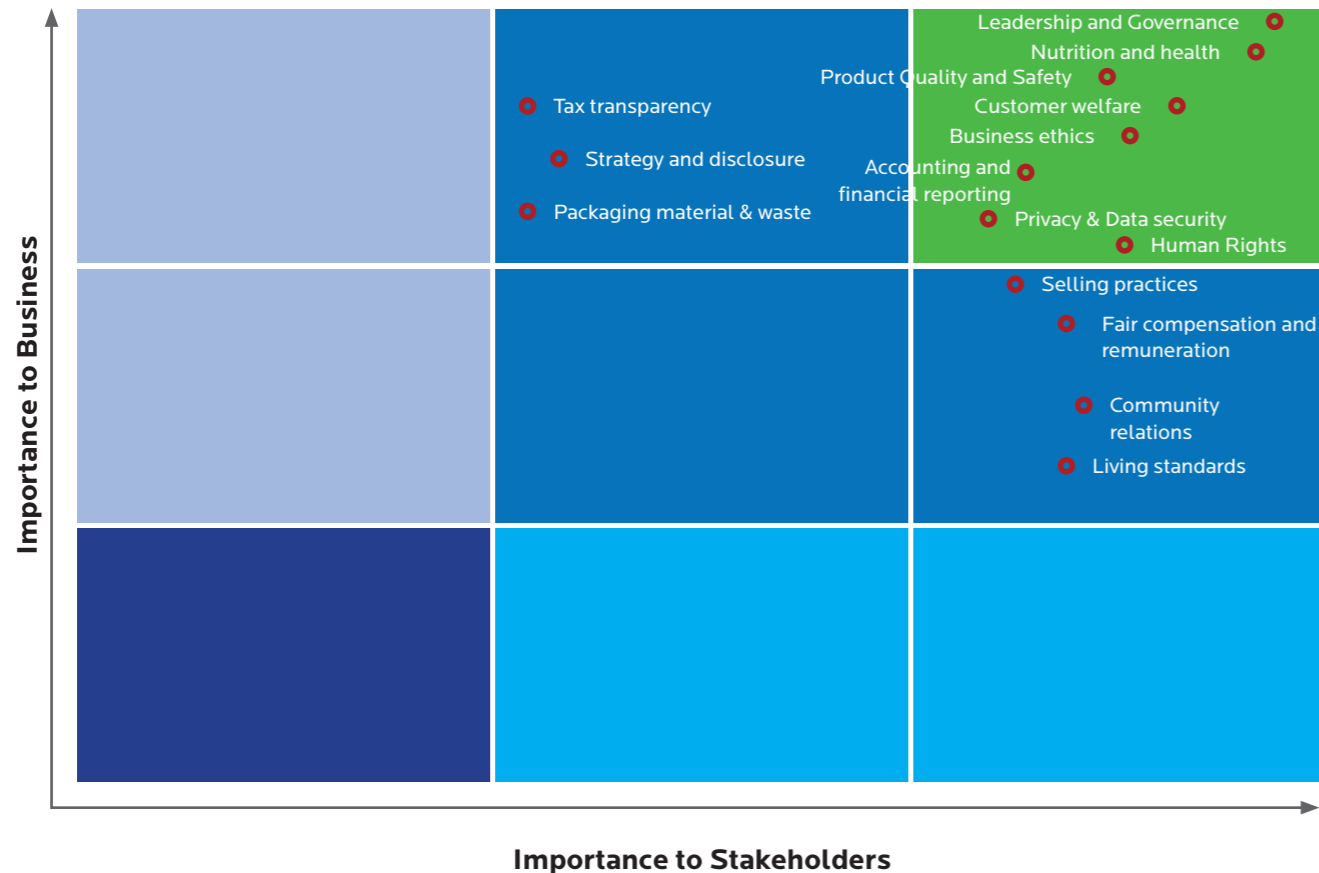
# The Material Topics Identified by our Stakeholders

One of the stepping stones for the ESG journey of an organization is identifying topics that are most “Material” for the business and our stakeholders. Identification of these topics help in the creation of the ESG roadmap. The materiality assessment also aligns with the requirement of 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.

We present the materiality matrix below:



|   |   |  |
|---|---|--|
| <b>Top Stakeholder Themes</b>   | <b>Issues in Focus</b>  | <b>Maintain focus</b>  |
| <p>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.</p> | <p>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.</p> | <p>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.</p> |
| <b>Monitoring issues</b>  | <b>High potential themes</b>  |  |
| <p>Whilst these issues may not be top priorities, we continue to consider them important to secure our license to operate.</p>  | <p>Though these issues might not be stakeholder priorities, we consider them relevant and will continue to report the progress we make on these themes.</p>                                     |  |





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.

## Planet Action

We strive to conduct our operations sustainably by adopting environmentally responsible business practices. Our environmental strategy revolves around the judicious use of energy, responsible water consumption, safe and effective waste disposal practices, protection of biodiversity and spreading knowledge on environmental issues through awareness programs.

### Energy Management

Our core strategy for energy management entails a dual approach of increasing productivity and product quality while reducing the amount of energy used and emissions produced because of our operations. With respect to energy usage, our manufacturing facilities follow the guidelines outlined in our Environment, Health and Safety ("EHS") Policy. An overview of our energy consumption is presented below.

| Category  | Unit | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|---|------|------------|------------|------------|
| Diesel  | MWh  | 621        | 377        | 3,980      |
| Coal (Electricity Generation)                             | MWh  | 1,136      | 196        | 114        |
| Coal (Steam Generation)                                   | GJ   | 74,989     | 12,545     | 7,590      |
| Biomass (Agro Waste and Rice Husk) Electricity Generation | MWh  | 4,273      | 4,693      | 3,670      |
| Biomass (Agro Waste and Rice Husk) Steam Generation       | GJ   | 2,22,026   | 2,62,490   | 2,24,868   |
| Total Direct Energy (Electricity Generation)              | MWh  | 6,030      | 5,266      | 7,764      |
| Total Direct Energy (Steam Generation)                    | GJ   | 2,97,015   | 2,75,035   | 2,32,458   |
| Electricity purchased (from non-renewable sources)        | MWh  | 12,540     | 12,499     | 12,549     |
| Total Renewable energy (Electricity Generation)           | MWh  | 4,273      | 4,693      | 3,670      |
| Total Renewable energy (Steam Generation)                 | GJ   | 2,22,026   | 2,62,490   | 2,24,868   |
| Total Indirect Energy                                     | MWh  | 12,540     | 12,499     | 12,549     |

Note: The overall target of energy reduction for FY 2021-22 was 5% (compared to FY 2020-21).

### Key Highlights for FY 2021-22

Only **5%** of the waste generated across all plants ends up in landfills

**29%** of the energy needs are sourced from renewable sources

**100%** of the water withdrawn is treated

**ISO 14001:2015** Certification on Environmental management Systems, exists for Sikkim and Ahmedabad plants

**18Mt** of hazardous waste produced is recycled

Scope 1 emissions: **11,426** tCO<sub>2</sub> eq  
Scope 2 emissions: **10,158** tCO<sub>2</sub> eq

We are cognizant of the GHG impacts associated with the FMCG sector, especially through indirect channels such as distribution and logistics. 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 | <ul style="list-style-type: none"> <li>A 11KV Express Feeder was installed resulting in savings of ~9,000 liters of diesel per year or about 24,909 tCO<sub>2</sub> annually</li> <li>Water sterilization through UV light in place of hot water, resulting in a reduction of briquette consumption and ash generation</li> <li>In order to adopt biomass fuels, the wood-fired boiler was replaced with a briquette fired boiler</li> </ul>   |
| Aligarh   | <ul style="list-style-type: none"> <li>Turbine load rationalization was done resulting in saving about 30% of electricity consumption by turbines. Refer below table for details</li> <li>Operating hours of Air Handling Unit (AHU) were reduced using programmable timer resulting in reduction of energy consumption</li> <li>Variable Frequency Drive (VFD) water pumps are being used for supply water to deaerator (boiler house) resulting in reduction of electricity consumption</li> </ul> |
| Sikkim    | <ul style="list-style-type: none"> <li>Use of briquette (biomass) fired boiler instead of High-Speed Diesel (HSD) Oil (Fossil fuel) in Unit-1 resulting in savings of HSD by 450 liters/day or about 455 tCO<sub>2</sub> annually (Combined steam generation source of both units)</li> <li>Effluent Treatment Plant treated water is used for gardening, boiler &amp; chiller, resulting in 40KL/day savings of fresh water</li> </ul>  |
| Sitarganj | <ul style="list-style-type: none"> <li>Variable Frequency Drive (VFD) installed for chilled water circulation pump to reduce electricity consumption</li> <li>Variable Frequency Drive (VFD) also deployed in Glucon-D Sugar Mill</li> <li>14K units of electricity saved in 2021-22 as compared to 2020-21 through various energy saving initiatives</li> </ul>   |

\* Details on Turbine load rationalization:

| Details of Renewable Source   | Unit             | 2021-22  | 2020-21  | 2019-20  |
|---|------------------|----------|----------|----------|
| Electricity Generation through Biomass Turbine generator using Agro-Waste | tCO <sub>2</sub> | 4,272.32 | 3,862.31 | 2,989.36 |
| Steam Generation through Biomass fuel in Boiler                           | GJ               | 2,22,026 | 2,62,490 | 2,24,868 |

To set up the Biomass Turbine Generator as a part of the GHG saving initiative by Zydus Wellness, we have made an investment of INR 85 million.

While we build upon these interventions further in the upcoming years, we have set a target to reduce our energy consumption across operations by 5% in FY 2022-23 (as compared to FY 2021-22). Our plans for energy savings in the near future include:

- Captive Open Access Solar Power supply for Aligarh Plant: We have started the process for finalizing the vendor for generating 4 MW as the best case, but in the worst case scenario, we would go in for generating 2 MW through Solar power project, which will reduce carbon foot print and coal consumption.
- Roof top electricity generation for the Ahmedabad plant.

Our Scope 1 and 2 emissions over the last three years are given below:

| Category                    | Unit                                       | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|-----------------------------|--|------------|------------|------------|
| Scope 1: Direct emissions   | tCO <sub>2</sub> eq                        | 11,426     | 3,606      | 2,409      |
| Scope 2: Indirect emissions | tCO <sub>2</sub> eq                        | 10,158     | 9,874      | 10,039     |
| Total GHG emissions         | tCO <sub>2</sub> eq                        | 21,584     | 13,480     | 12,448     |
| Revenue                     | In Million INR                             | 20,091     | 18,756     | 17,775     |
| GHG emission intensity      | tCO <sub>2</sub> eq/Revenue in Million INR | 1.07       | 0.72       | 0.70       |

We shall strive to achieve direct GHG emission equal to or lower than FY 2020-21 in terms of tCO<sub>2</sub> eq/ Revenue in Million INR.



## Conserving Biodiversity

We take deliberate efforts for conserving biodiversity and work for impactful biodiversity enhancement. No species listed in the International Union for Conservation of Nature (IUCN) Red List and National Conservation List were found to be in existence in or near the manufacturing units. All units are located outside biodiversity sensitive or notified protected areas; hence there is no such case of habitats affected by discharges of water and runoff from the unit. While setting up new factories / units or during retrofitting / expansion, we are taking due consideration towards Biological Diversity Act and Rules.

We are dedicated and maintaining the dense and opulent green belts across our manufacturing unit at Aligarh.

Afforestation is an important GHG offset strategy for us, decarbonizing and guarding biodiversity. Green spaces act as excellent carbon sinks and help in sequestering carbon dioxide from the atmosphere. We have taken up an initiative to plant 3,250 saplings by FY 2022-23 at the Aligarh plant using the Miyawaki method to create an urban forest. This would also help in the re-fertilization of barren land and the prevention of soil erosion. Additionally the biodiversity drive is not limited to the company but has also extended to society by distributing and encouraging the employees for the plantation at their places.

## Managing Air Pollution

We comply with all the norms set by the relevant Pollution Control Boards around air quality parameters. We disclose all the necessary information regarding air pollutants that arise from our day-to-day operations and mobile sources like office buildings, transportation and production facilities.

Third-party independent assessments are conducted at all our plants regularly as per the Central Pollution Control Board guidelines. Based on these assessments, regular reports are maintained at all our plants. We have ensured that our emissions are within the prescribed limits to mitigate the impacts caused by the air pollutants emitted from our operations. Major pollutants for the last 3 financial years are given below.

| Financial Year | Particulate matter (PM)  | Nitrogen Oxide (NOx) | Sulfur Oxide |
|----------------|--------------------------|----------------------|--------------|
| 2021- 22       | 94.89 mg/nm <sup>3</sup> | 38.12 ppm            | 41.72 ppm    |
| 2020- 21       | 110.5 mg/nm <sup>3</sup> | 42 ppm               | 18 ppm       |
| 2019 - 20      | 89.57 mg/nm <sup>3</sup> | 25.41 ppm            | 29.90 ppm    |

Note: All the parameters are within the regulatory limit. PM levels are monitored and are within the regulatory limit (PM- 150, NOx- 50 ppm, SOx-100ppm)



## Managing Water Usage

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, Sitarganj, Aligarh and Medium to High (2-3) for plant 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 plant uses surface water from nearby springs, and Sitarganj and Aligarh plants utilize ground water through dedicated borewells.

Our plants at Aligarh, Ahmedabad and Sikkim, have a well-designed effluent treatment plant (“ETP”). Wastewater from the production process is treated via a Common ETP and discharged in accordance with the standards set by the Pollution Control Board. The treated water reports are reviewed by a third party to ensure safe discharge limits before release. After treatment, about 70%-80% of recycled water is used for green belt development, cleaning, housekeeping, gardening, and flushing in toilets. As a result of our efforts, our freshwater consumption has reduced by 30% at the Aligarh plant, 20% at the Sikkim and Ahmedabad plants and 10% at the Sitarganj plant as compared to last year. The Zero Liquid Discharge System at the Ahmedabad plant was made functional during the current financial year. Similar system is being planned for the Sikkim plant.

Water withdrawal and intensity figures are given below:

| Category   | Unit                   | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|--|------------------------|------------|------------|------------|
| Municipal water supplies (or from other water utilities) | million m <sup>3</sup> | -          | -          | -          |
| Fresh surface water (lakes, rivers, etc.)                | million m <sup>3</sup> | 0.06       | 0.06       | 0.04       |
| Fresh groundwater  | million m <sup>3</sup> | 0.38       | 0.36       | 0.30       |
| Total Withdrawal   | million m <sup>3</sup> | 0.44       | 0.42       | 0.34       |
| Total Treated Water Quantity                             | million m <sup>3</sup> | 0.39       | 0.28       | 0.30       |
| <b>Wastewater Treatment</b>                              | %                      | <b>100</b> | <b>100</b> | <b>100</b> |
| Treated Water used Quantity                              | million m <sup>3</sup> | 0.33       | 0.26       | 0.26       |
| Treated Water used                                       | %                      | 85.75      | 92.85      | 86.86      |
| Treated Water Discharge                                  | %                      | 14.25      | 7.15       | 13.14      |

Our organization has not been subject to any water related incidents (operation interruptions/plant closures etc.) with substantial (more than USD 10,000) impacts on costs/revenues in the last four fiscal years.

To sustain the momentum of water conservation initiatives, we have set a target to reduce our consumption by 5% in FY 2022-23 (as compared to FY 2021-22). Certain initiatives specific to water conservation includes:

- Common taps replaced with push-type taps. Aerators have been added too
- Installation of sensor-based - automated tank systems to avoid overflow
- Installed water-saving flush systems

## Managing Waste

In order to efficiently manage the waste generated during our manufacturing processes, we are adopting circular economy-based practices to maximize the use of materials and ensure that the overall waste produced is minimized through initiatives related to green packaging and design.

The waste generated in the Company's manufacturing operations is recycled/reused to the extent possible. Waste is recycled by authorized third-party agencies and records of the same are maintained at all our plants.

In line with the Ministry of Environment, Forest and Climate Change's latest notification on 'Extended Producers Responsibility', we have strengthened our approach to

the management of plastic packaging. Through Central Pollution Control Board registered plastic waste processor service providers, across the distribution locations, we were able to recycle 173.6 metric tons of plastic waste and utilize 311.7 metric tons of plastic waste for waste energy generations and 124 metric tons of plastic waste was co-processed in the FY 2021-22.

Additionally, we have undertaken design-level changes to our products to reduce the raw material used in their manufacturing. These changes as well as the subsequent savings from these modifications during the reporting period are mentioned in the table below:

| Brand/Product                        | Packaging material/Substrate            | Amendment in specifications                        | Total savings of material consumption (tons) |
|--------------------------------------|---|--|--|
| Nycil cap weight reduction           | Polypropylene                           | Old 2-piece cap to 1 piece flip top cap            | 70.44  |
| Complan cap weight reduction         | Polypropylene                           | Jar neck height and cap height reduction           | 69.78  |
| Complan 500g carton height reduction | Paper                                   | Carton height reduced from 215mm to 205mm          | 22.20  |
| Glucon-D 1kg Jar weight reduction    | Polyethylene Terephthalate or Polyester | Jar weight reduced from 49g to 40g                 | 18.71  |
| Complan 18g sachet size reduction    | Multilayer plastic (laminated)          | Sachet length has been reduced from 135mm to 115mm | 4.301  |

We have also successfully recycled nearly 96% of waste generated such as a result of our operations as presented below:

| Category  | Unit      | FY 2021-22      | FY 2020-21    | FY 2019-20      |
|---|-----------|-----------------|---------------|-----------------|
| Hazardous Waste Generated   | MT        | 86.81           | 53.66         | 94.16           |
| Hazardous Waste Recycled [Waste oil, Used Oil, Oil & Grease skimming residue (chemical sludge) from ETP, Process residue, ETP sludge] | MT        | 3.24            | 2.81          | 2.53            |
| Hazardous Waste Disposal through co-processing  | MT        | 81.46           | 47.26         | 87.31           |
| Hazardous Waste Disposed through Other methods  | MT        | 2.11            | 3.59          | 4.32            |
| Non-Hazardous Waste Generated   | MT        | 1,128.57        | 937.07        | 1,018.39        |
| Non-Hazardous Waste Recycled  | MT        | 1,128.57        | 937.07        | 1,018.39        |
| <b>Total Waste Generated</b>  | <b>MT</b> | <b>1,215.38</b> | <b>990.73</b> | <b>1,112.55</b> |
| <b>Total Waste Recycled</b>   | <b>MT</b> | <b>1,131.81</b> | <b>939.88</b> | <b>1,020.92</b> |
| Total Waste Disposal through co-processing  | MT        | 81.46           | 47.26         | 87.31           |
| Total Waste Disposal through Other Methods  | MT        | 2.11            | 3.59          | 4.32            |

During the FY 2021-22; a total of 643 employees were trained on various aspects of waste management.

We have not paid any significant fines (> USD 10,000) related to environmental or ecological issues in the past four fiscal years. We owe this to our systems and process built around environmental protection.

## Awareness Programs on Natural Resource Management

### Dairy Development Camps:

This year, we conducted awareness programs for farmers in partnership with Lutin Pharma at Aligarh, about good animal husbandry practices, animal nutrition, clean milk production and handling. The sessions covered 20 neighboring villages of the Aligarh plant and were attended by more than 1,200 farmers. We distributed about 4,000 deworming medicines and 1,200 packets of the mineral mixture (cattle feed) weighing 1kg each to the attendees.



### Azadika Amrit Mahotsav:

We organized a 100-day plastic waste collection drive in the neighboring villages of Aligarh and Ahmedabad to celebrate "Azadi ka Amrit Mahotsav". Our employees volunteered to accompany the third-party vendors for collection and to educate the villagers about the harms of using and disposing off single-use plastic in an improper manner.

The above interventions resulting in significant process, performance and resource utilization improvements across our manufacturing locations, as depicted in the above paragraphs have been recognized and awarded by multiple prestigious organizations. For the FY 2021-22, these include:

- National Award for Manufacturing Competitiveness (NAMC), Instituted by International Research Institute for Manufacturing (IRIM) for the Ahmedabad (Diamond), Aligarh (Gold) and Sitarganj plant (Silver)
- Strategic Lean Integrated Manufacturing (SLIM) Team award of the Year (2nd runner-up) for Ahmedabad plant and Emerging Plant of the Year award for Sitarganj plant
- IMexI Award, by Kaizen Hansei to drive Manufacturing & Supply Chain excellence in India, for Aligarh and Sikkim plant

### Swachh Wellness Shreshth Wellness:

We organized waste collection drives in our plants under the initiative of "Swachh Wellness Shreshth Wellness". Once a year, our employees team up to collect solid waste from the plant premises. The teams are rewarded based on the amount of waste collected.



# Life @Zydus

Our employees are our greatest assets. Throughout the years<sup>1</sup> employees across functions played a crucial role in enabling the company to reach where it stands today. We take pride in mentioning that even during the uncertainties and hardships associated with the pandemic, our employees rose to the occasion and delivered positive outcomes. This contributed to the company's growth as well as helped us do our bit to help the larger society during the tough times.

**1,075<sup>1</sup>**

**Permanent employees**

**1,329**

**Contractual employees**

**4%**

**of the permanent employees consist of women**

<sup>1</sup> Includes employees of the subsidiaries



## 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 onboarded 224 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 "preplacement offer" system in place to absorb the young talent. During the FY 2021-22, we extended internship opportunities to 8 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 them. 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 TSI and after managing a territory independently they are confirmed as Sales Officers. During the fiscal year, we had onboarded 10 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.

|  |   |
|--|---|
| <p><b>The Human Resource Policy includes provisions for:</b></p> <p>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</p> | <p><b>Key benefits extended to our employees are:</b></p> <ul style="list-style-type: none"> <li>• Support for children's education</li> <li>• Interest free advance to cover security deposit of employees opting for rental accommodation, in Mumbai and Delhi</li> <li>• Retirement benefits and tenure extension in selected cases</li> <li>• Health and accidental insurance</li> <li>• Maternity and Paternity benefits</li> <li>• Parental insurance</li> <li>• Breast-feeding/lactation facilities or benefits</li> <li>• Flexible working options</li> <li>• Functional day care facilities at corporate office at Ahmedabad</li> <li>• Support to employees and their families affected with COVID</li> </ul> |
|--|---|

### Support extended to our employees, specifically during COVID

#### Financial assistance to deceased employee's dependents as:

- For Deputy General Manager and below, the assistance would be 2 times the annual gross salary, subject to a minimum limit of INR 2 million
- For General Manager and above, the assistance would be 1.5 times the annual gross salary, subject to a maximum limit of INR 15 million
- For Fixed Term employees, the assistance would be 2 times the annual salary, subject to maximum limit of INR 0.7 million

**Assistance for continuing education** of the deceased employees' children until graduation within India

**Extending existing Mediclaim coverage** to family members of deceased employee

Family of the deceased employee to be **eligible for gratuity** (accumulated till age of retirement)

Family of the deceased employee to receive **Employee Deposit Linked Insurance** benefit for disbursements up to INR 7 lakhs

Employees were also provided online doctor support through the "Visit app" with a TAT of less than 4 hours. More than 1000+ employees and their families were vaccinated through our vaccination drives across locations. Additionally, employees were also given covid care leaves (14 days quarantine), Remdesivir injection at discounted rate and Mediclaim top-up of INR 0.5 million coverage for affected patients.

### 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.

We took a conscious call to support our employees during the current inflationary nature of the economy. There was a growth of 9.5% in the median salary of employees, as compared to the previous fiscal year. For male employees other than the board members and those holding key managerial position, we introduced an increase of 7.5%. For female employees at the same level, there has been a 29.4% increase. For the workers, we introduced an increase of 8.5%.

Capturing employees' feedback on their experience at the workplace is crucial for us to recalibrate our interventions. To this, we conducted a Pulse Survey at Zydus Wellness locations. For the FY 2021-22, more than 70% of the employees who took part in the survey, were from corporate and field locations. The survey aims to assess levels of:

- Perceived trust, arising from the level of awareness of business information and trust in leadership decisions
- Manager support and feedback system
- Collaboration, among 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". 81% of the respondents scored 4 or 5 across all the five constituents of the index. This is higher than an industry benchmark of 70%. We strive to work on this further in the coming years and have a higher coverage of the survey.

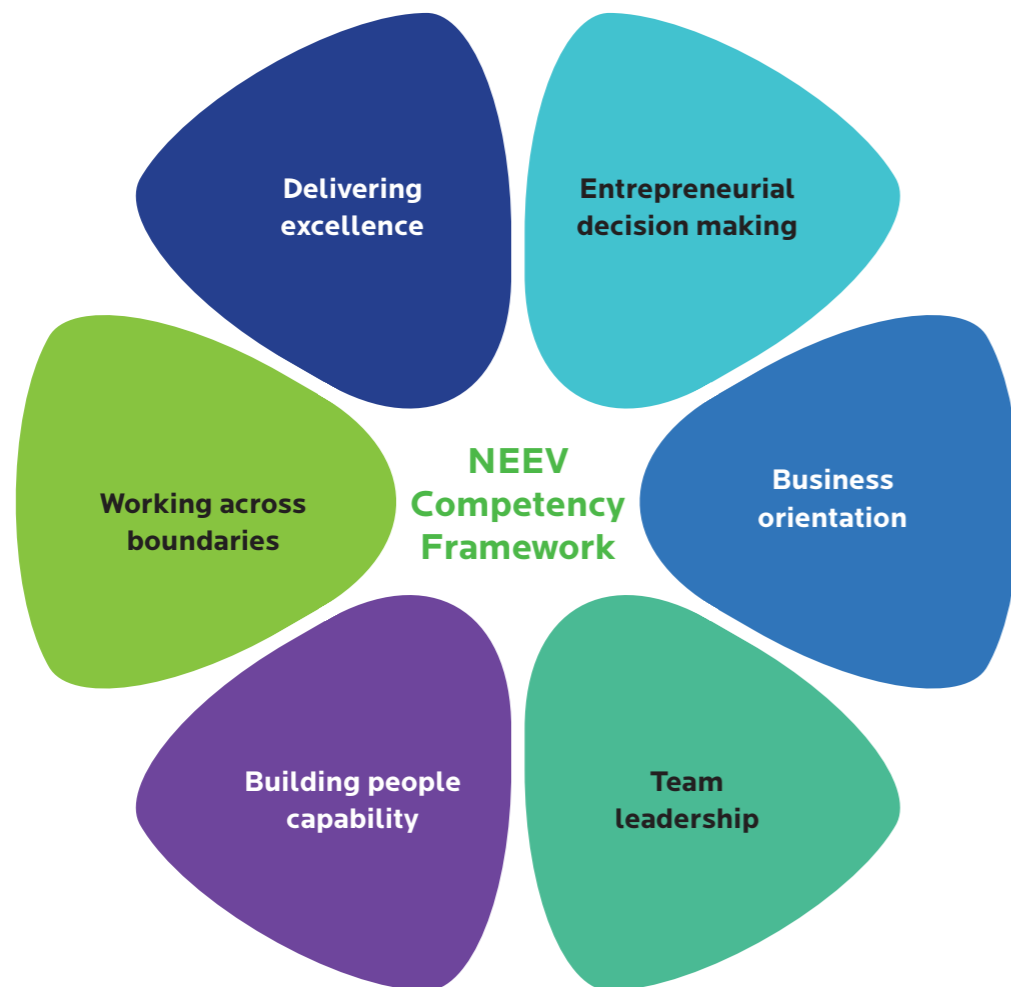
## A Systematic Performance Measurement System

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. During the FY 2021-22, such curriculum was assigned to 194 employees. 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.

## 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):** Training program 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.

## 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 in order to further our Diversity and Inclusion ambitions, we have a number of initiatives and programs in place within the organization. 14.3% of senior management/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 plants

and for Ahmedabad, this stands at around 20%. Women from Science, Technology, Engineering, and Mathematics (STEM) form 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.

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 are able to show empathy for their colleagues and treat each other with respect and civility and recruit based on their skills and industry experience etc. and irrespective of other factors viz. race, gender, caste, etc.

The collective of our efforts and the impact on the human capital thereon, has been recognized by agencies in this domain. Our CEO, Mr. Tarun Arora was identified as a "CEO with HR orientation" by the World HRD Congress – Dream Companies to Work for (11th Edition) rankings. The same organization also awarded Zydus Wellness with "Organization with Innovative HR Practices" and "Dream Employer of the Year" for the FY 2021–22. We take pride that the Company has been recognized as a "Great Place to Work" in the FY 2021–22. We shall strive to consistently build on this strong foundation, going ahead.



### 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 plants (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 these plants. 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 premises
- Awareness sessions on provisions under Prevention of Sexual Harassment of Women at Workplace act and related policies

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



**Anu Rai**  
Employee since 2015

I joined Zydus Wellness Products Ltd. in the year 2015 as a Casual Worker and currently holding the position of an Executive in the Finance department. It was difficult to find a suitable job in our region initially, but I am grateful to this company for giving me an opportunity to enhance my knowledge, skills and abilities. I feel this is a great company for women to work. The atmosphere at the workplace is cordial and the support extended to women is certainly helpful. I feel at ease when I am in the company of a fellow employee.




**Munna Chettri**  
Employee since 2015

I have been associated with Zydus for over seven years, have enjoyed, and appreciated the company's priorities, insights and culture. I joined as an officer in the HR department through ACME Pharmaceuticals, Group Company in 2015 and currently, I am holding the position of an Executive in Zydus Wellness. The company conducts engagement activities specifically for women employees such as, annual sports, picnics, women's day celebrations etc. Zydus is a great place to work for women employees, especially with regard to safety, canteen facilities and transport support. It has been an outstanding experience with the team here.




# Transforming lives, beyond business


Zydus Wellness has been engaged in community services since 2014 through its Corporate Social Responsibility (CSR) programs and employee volunteering initiatives, known as “Zydus Srishti”. In compliance with the Companies Act, 2013 and to ensure sound implementation of programs, we have formed a CSR committee headed by Dr. Sharvil P. Patel and comprising of one Non-Executive Director and One Independent Director and adopted a comprehensive CSR policy. Our focus areas under CSR include:

-  Healthcare / medical facilities


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-  Skill development/empowerment


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-  Community development


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-  Education/knowledge enhancement


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-  Infrastructure development

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-  Environment protection

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-  Others (as may be decided by the CSR Committee and Board of Directors)

We implement the programs through Zydus Foundation, a section 8 Company which is a wholly owned subsidiary of Zydus Lifesciences Limited, the holding Company.

As the average net profits of the company as per the provisions of the Companies Act, 2013 was negative, no allocation towards CSR was made in FY 2021-22. However, our past year’s contributions to Zydus Foundation accounted for INR 31.34 million across FY 2019-20 and FY 2020-21 on programs which continue to extend benefits to society.

Our keystone project (including contributions from other Zydus group companies) has been the establishment and operationalization of the Zydus Medical College and Hospital in Dahod. It is a 750 bedded facility including 100 ICU beds and 12 operation theatres. It had an estimated footfall of more than 0.28 million patients during the FY 2021-22. More than 6,200 operations were conducted in it during the period. Being a district with a disproportionately low doctor-to-patient ratio (0.07 against a national average of 1.34), and a high proportion of stunted and underweight children, the impact created by the hospital has been significant and would give rise to cascade effects among the community, in the years to come. Zydus Medical college is a self-financed brownfield medical college project, set up in a Public Private Partnership (PPP) model of the Government of Gujarat. The Zydus Medical College is the first Medical College set up in Dahod and the first batch of the MBBS programme commenced in August 2018. A total of 750 students are currently enrolled on the MBBS programme. The College would also start postgraduate courses in due course of time.

During the peak of COVID (FY 2019–20) our ground teams were quick to extend relief services to front-line workers. One such formal program, called “Project Urja” conducted the distribution of Glucon-D and other essentials to more than 18,000 police officers across 300 towns in the country.

We go beyond CSR, as a means to create social impact. One of our key such programs is to procure milk for our operations from dairy farmers through milk society networks. This way, we are supporting livelihoods of 25,000 dairy farmers across the country. The dairy farmers are encouraged to participate in Dairy Development Camps organized by us with support from subject matter experts. In these camps, farmers are informed about good animal husbandry practices, animal nutrition, clean milk production techniques and good handling practices. A total of INR 2 lakhs was spent on cattle development camps.

In Aligarh, to support ground water recharge, we have created a water body in the vicinity of our manufacturing plant. We have also supported the construction of access routes around the plant, which benefits the surrounding community, apart from the plant operations. We have also provided specialized dental chairs to a government hospital in Sikkim.



## Integrating Sustainability along our Supply Chain

At Zydus Wellness, manufacturing integrity, supply chain efficiency and product innovation form the foundation of the legacy we have built over the last decades. As a consumer healthcare and wellness company, we work closely with our suppliers and distributors who enable us to reach lakhs of consumers across the globe. We acknowledge the fact that we can achieve our environmental and social goals only by bringing our supply chain partners with us. Our supplier on-boarding process allows us to critically assess our suppliers, based on relevant ESG objectives.

The Categories includes: Raw Material (RM), Packaging Material (PM) and Capex and Indirect Sourcing

## Categorization of Suppliers

We categorize all our suppliers as either Tier 1 or MSMEs. We have a prioritization system within the Tier 1 category that is based on:

- Material quality
- Cost relevance
- Compliance with regulatory requirements and standards
- Supplier technical capability

We took a conscious approach for procuring raw materials from MSMEs and during the FY 2021-22, we have 725 such suppliers across the country. Additionally, 94% of our total procurement is done locally within India. Tier 1 suppliers during FY 2021-22 was at 26,101. We have identified 25,020 critical suppliers for FY 2021-22. Our critical suppliers have been evaluated based on high volume of supplies, critical component and perishable supplier such as for Milk and non-substitutable suppliers.

## De-Risking the Supply Chain

We have a comprehensive supply risk assessment framework in place. We assess our Raw Material suppliers 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 is based on the quality management.



To meet the increasing demand for our products and also to de-risk the chain through diversification, we have an increased supplier base in FY 2021-22 (1,124 in FY 2021-22 and 1,160 in FY 2020-21). Procurements are conducted from 23 states across the country.

Currently, 55% of our modern trade business is serviced directly to customers. In FY 2018-19, this was at 4%. The direct reach has significant potential to reduce emissions involved in the logistics stage. This intervention is key to our journey to a sustainable supply chain. Further, we

have conducted a strategic integration of our ambient and cold storage facilities through a project termed as "Cool in One" during the financial year. This integration opens up opportunities for significant emission reduction, due to optimum transit requirements (and hence fuel usage) and energy requirements, to run the storage units.

Our "Business Conduct" policy promotes adherence to and protection of human rights across our supply chain. It also promotes the maintenance of safe work environment at the premises of suppliers.

Simultaneously, we are also collaboratively working with our suppliers towards developing innovative solutions and alternatives to plastic based packaging. Moving away from single use plastic altogether is our end goal. Our grievance redressal system allows our suppliers to openly raise their concerns and share any suggestions, feedback, complaints, etc. with us.

### Project Vistaar

Our commitment to serving customers and ensuring that their needs are met despite the prevailing market conditions is unflinching. We have stepped up our initiatives on the e-commerce front.

Distribution and timely reach are at the heart of any consumer enterprise. In order to ensure an uninterrupted supply of our products, our stockists and channel partners at the retail level ensure that optimized stock levels of our products are maintained at all times.

As a result of their support, we have been able to double our direct reach to 5 Lakhs outlets through the Project "Vistaar". We will also be extending our outreach drive to cover rural geographies in the coming years.

### Warehouse Optimization

Integrated warehouse management has the potential to streamline inventory movement and reduce cost. The Company's distribution competence has been facilitated by having investment in 24 integrated warehouses (Cold chain and Ambient warehouse). Post acquisition, it has been optimized from 65 to 24 warehouses. It has resulted in decrease in electricity consumption (cost) at warehouse as a percentage to revenue by 10%.

A testament to the resilience of our supply chain is its continued operations through out the Covid pandemic. During this period, our Carrying and Forwarding Agents (CFA) ensured that our products were available to our consumers without interruption. We support them to respond to the ever-changing global supply chain landscape. From dynamic regulatory requirements to geopolitical conditions, our suppliers swiftly and deftly responded to these unprecedented fluctuations and complex challenges.

### Digitization of our order process

We have implemented Distributor Management Systems (DMS), which is an online tool to capture real time secondary sales from the distributors to the retailers and it also assists in timely stock replenishment of the distributors by placing paperless orders to the Company. 64% of our customers are already using our online platform.

## Empowering Local Suppliers

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 2021-22 we procured 94.3% of our requirement from the domestic market. Our direct sourcing within the district where our plants are located stands at 88.8%. This also helps in reduction of our environmental footprint significantly. As mentioned above, currently 11% of our raw material and packing materials are sourced from MSMEs and we intend to further increase this share.

## Supplier Engagement

We engage with our suppliers on an annual basis via email, telephonic discussions, virtual compliance assessment (specifically GST and TDS payments) and training programs to enhance their capability. We visit our Milk suppliers in our Milk shed facilities and provide technical support on cost control, delivery procedures and quality management.

# Create and Ideate

Maintaining ourselves as one of the top consumer wellness product manufacturers for decades needs significant efforts on Research & Development (R&D). We have a dedicated R&D center in Ahmedabad. This state-of-the-art facility houses a 25 member team, one-fourth of which

consists of women, to conduct research across product development phases as well as packaging.

Snapshot of R&D expenses during last three financial years is given below:

| Category                            | Unit        | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|-------------------------------------|-------------|------------|------------|------------|
| R&D spending                        | Million INR | 94.8       | 90.1       | 91.5       |
| R&D spending as percentage of Sales | %           | 0.47%      | 0.48%      | 0.52%      |
| No. of R&D positions                | No.         | 25         | 22         | 22         |
|                                     | Male        | 19         | 17         | 17         |
|                                     | Female      | 6          | 5          | 5          |

## Approach to R&D

The R&D team works in close collaboration with the marketing team to understand consumer preferences, market trends and competition. We have created an "Innovation Council" to focus on new product development. The council includes Head of the Departments.

Our approach to R&D emphasizes collaborations with research institutions, universities, machine manufacturers, clinical research organizations and our suppliers of semi-finished products. Our vendors further collaborate with us

and extend their research expertise and capabilities. Some of our organizational collaborations are as follows:

- Madras Diabetes Research Foundation
- National Forensic Sciences University
- Protein Foods and Nutritional Association of India
- Metflux Research (Incubated at IIT Mumbai)
- Flrst – Business associate of GIRACT, Switzerland

### Zydus Wellness Institute; harnessing the power of collaboration

Zydus Wellness Institute (ZWI) is a knowledge platform that aims to build scientific credibility of Zydus Wellness and also help bring further innovations in Products, Packaging and Processes involved across the brands. The platform will be technically supported by an advisory board consisting of top professionals/ Key opinion leaders (KOLs) in the area of medicine, nutrition, science and technology from reputed Government and Non-Government organizations.

To ensure efficacy and more importantly the safety of users, the R&D team puts significant importance on clinical and pre clinical studies of all products. These also provide valuable inputs for future innovation. All our trials are

registered on the Clinical Trial Registry – India (CTRI) and are conducted as per ICMR's ethical guidelines, Guidance on Good Clinical Practice and Declaration of Helsinki.

List of clinical trials commissioned in FY 2021-22 are given below:

- A randomized, double blind, placebo controlled comparative clinical trial to evaluate the efficacy and safety of probiotic butter spread (probiotic food) in healthy adult subjects
- Effect of low-calorie sweetener; sucralose (sugar free natura) on cardio metabolic risk factors and gut microbiome among obese adults India - a randomized trial (Study A)
- Effect of low-calorie sweetener; sucralose (sugar free natura) on cardio metabolic risk factors and gut microbiome among adults with diabetes in India - a randomized trial (Study B)
- Efficacy and safety of a baby skin healing cream for mild to moderate eczema: an open-label, single arm study
- A novel natural/plant-based ointment formulation reduced the overall diaper rash severity in infants aged 0 to 36 months
- A randomized, open label, multi-center, one interventional treatment and one control arm, comparative efficacy study of Zydus Wellness product in healthy children of age group 6 to 18 years
- Clinical study to evaluate the safety and efficacy of a nursing gel in healthy pregnant females and lactating females with sore & cracked nipples
- Clinical study to evaluate the safety and efficacy of a cream in reducing skin pigmentation in healthy pregnant females and lactating females with mild to moderate melasma
- Clinical study to evaluate the safety and efficacy of body firming cream and under eye gel in lactating females and only under eye gel in healthy pregnant females
- Clinical study to evaluate the safety and efficacy of stretchmark oil & oil free hair oil in healthy pregnant females and lactating females
- Effects of maltitol-based sugar-free chocolates on factors associated with dental caries - Maltitol-based sugar-free chocolates were found to be safe for consumption and were devoid of cariogenic potential
- Effects of sugar blend (the ingredient of Sugar Lite) on weight - Sugar blend is an effective formulation in reducing weight, anthropometric factors, and other related metabolic parameters. It has been proven to be well tolerated and promotes weight loss when used in conjunction with a daily balanced diet and exercise plan

The R&D team also publishes some of its key findings, updates products and process improvements to support advancement in the overall sector. The focus areas of some of the latest studies and their broad content includes:



## Intellectual Property

We continuously work on new product development and improvements in existing products in response to market needs. To protect our intellectual capital, our Intellectual Property (IP) cell ensures timely registration of copyrights (packaging) and file patents for new formulations. Since

2016 we have filed 2 Patents, for sugarless ice cream and foot care creams, each. In FY 2021-22, we have received 5 copyright registrations.

Key areas of improvement for some of our products, during the reporting period, include:



### Nutralite DoodhShakti Butter:

The product has been developed after extensive research of more than two and a half years, in collaboration with the R&D center in Ahmedabad. The product is an alternative to butter and contains 70% milk fat. The product includes probiotic strains that are helpful in improving gut health and the immune system. This is an area of significant improvement over conventional butter products.

### Complan in a sachet:

The innovation in packaging aims to make it more affordable for a wider population, thereby enhancing access to its nutritional benefits. The availability of sachet based packaging ensures that more individuals can take the benefit from the nutritional gains offered by Complan.



### Nutralite Choco Spread:

There has been a significant focus on using quality ingredients for this product. We have launched two variants: one with "Milk Calcium" and the other with "Crunchy Quinoa". Per serving of the calcium spread results into milk calcium equivalent to one glass (200ml) of standard milk. The product is rich in MUFA and PUFA. The product can be used as such or on breads/ rusks/ biscuits as spreads etc.



### Aloe Vera Gel:

The product is made from 100% pure aloe vera and cucumber. It is a paraben-free formulation. It helps to treat minor skin issues like acne, rashes and cuts with hydrating & moisturizing properties. It is useful against sunburns too. The product is dermatologically tested for safety & Anti-bacterial properties. The key functional ingredient of the product is aqueous base gel consisting of thickening agents, neutralizers, moisturizing agents, humectants, sensory modifiers, conditioners, natural extracts and solubilizers.



### Nycil Soothing Body Mist:

The product has an aqueous base formula to treat prickly heat, rashes, allergies, dryness, roughness and inflammation. It has an anti-bacterial effect on the skin. The product contains Neem Oil, Boswellia Serrata & Menthol with anti-bacterial agents. The product is dermatologically tested for safety & clinically proven for its efficacy. Functional ingredients include an aqueous base consisting of active ingredients, moisturizing agents, humectant, sensory modifiers, conditioners and natural extracts.

### Sugar Free D'Lite Cookies:

Indulgence and flavor innovation are primary drivers in the cookie market. Taste and texture impact consumer choice, especially the younger demographics who seek more decadent and differentiated offerings. Our cookies are free from added sugars, colors, and artificial sweeteners. These are instead naturally sweetened with stevia. The product does not contain trans fat. An increase in high fiber cookies using oats & fructo oligosaccharide is another trend that is on the rise.



## Safe and Secure

The safety and wellbeing of our employees is of utmost importance to us. We continuously strive to promote safe practices to be followed by all our employees. We are committed to implementing and monitoring relevant requirements set forth by ISO standards for our plants.

Governing mechanism involves an EHS Committee composed of all department HODs, chaired and reviewed by the Vice President, Manufacturing. The Committee comprises 17 personnels, including 5 non-management and 12 management representatives, and is responsible for defining processes to identify work-related hazards, assess risks on a routine and non-routine basis and assign hierarchical control to eliminate these risks.

For every new risk identified, the Committee runs a root cause analysis to control it with preventive measures. A dedicated Safety personnel has been identified at each of our plants, who is responsible for implementing and monitoring the Safety Management system performance.

Manufacturing plants at Ahmedabad and Sikkim are **ISO 45001: 2018** (OH&S) certified

**Zero fatalities** across all plants in FY 2021-22

**Zero LTIFR** across all plants in FY 2021-22

**2,682** Man-hours spent on training related to EHS

## Health & Safety Training

Safe work starts with a shift in the mindset of the employee about the importance of such practices. This is underpinned by the way our workspaces are designed and operated. Our departments evaluate the safety training needs of each employee based on the applicable grade and the nature of work.

The training needs assessment is carried out annually in phases while taking organizational, unit, and individual preferences into consideration. In FY 2021-22 we spent 2,682 man-hours training our employees on topics related to safety practices at the workplace. The training also covers matters related to ethics such as anti-bribery and corruption, Prevention of Sexual Harassment of Women at Workplace and Code of Conduct. A total of 1,666 employees (including our permanent workers) participated in these sessions in FY 2021-22, covering all permanent and contract employees.

Training sessions also include First aid and Firefighting trainings. Some of the recognizable programs carried out on regular basis for our employees which majorly contribute towards our set Safety Target with objectives are:

- On following machine-specific safety procedures
- Awareness of rules and regulations for Safety, stated by competent authorities
- Procedure to be followed for Hazard reporting and Implement adequate measures
- Procedure for Safely working in areas which need high safety precautions
- Waste disposal methods and procedure to handle different categories of waste
- Usage and importance of adequate Personal Protective Equipment (PPE) for each activity to be carried out

To permanently establish a culture of safety, we have instituted an Employee Health and Safety Index across all our locations. Adding the dimension of competitiveness to the matter of safety had led to much faster adoption of best practices, as we observed through our evaluations.

As a consumer product manufacturer, we use a number of formulations to manufacture our products, which require constant vigilance while handling to avoid the occurrence of any accidents and mishaps. All our shop floor employees are provided with sufficient PPE. The employees are trained on handling manufactured products safely and identify risks on a periodic basis, in order to eliminate them prior to occurrence. We encourage our employees to report

any incidents which may cause them harm, immediately and to take corrective action to avoid its reoccurrence. Investigation of incidents that occurred is carried out by cross-functional teams to improve transparency in the system.

During Covid, we undertook concerted efforts to address the uncertainties surrounding the intensity and spread of infections and its impact on our people. Detailed guidelines were prepared and shared, which listed steps to follow in case any of our employees are impacted by the pandemic. We conducted vaccination drives at all five plants to address the spread of Covid. As a result of these drives, all our employees across our plants have received both doses and are fully vaccinated.



Training Programs at Aligarh Plant



Ahmedabad Plant: Diamond trophy in NAMC award



Best in Class Safety Excellence Award- Sitarganj

We also established Occupational and Health centers, equipped with Ambulance facilities, at all our plants to serve 24\*7. All our employees have to mandatorily undergo pre-health employment check-ups as well as annual health check-ups by third parties, to improve the wellbeing of individual employees. The results of these check-ups are maintained by our Human Resource Department. Zydus has its EHS Policy in place which is applicable to all our stakeholders and units. As a result of our safety practices and systems, the recordable incidents during the reporting period are very low. Our efforts to create a safe workplace for our employees have also been recognized at several forums. The Sitarganj plant was conferred with the “Best in Class Safety Excellence” award as a part of the National Awards for Excellence in Manufacturing event held at Mumbai by the World Manufacturing Congress. This acts as an encouragement for the other plants.



Training on handling manufactured products safely

## Creating safe products for our customers

The nature of products that Zydus Wellness is engaged in, ensuring good and hygienic manufacturing practices is of utmost importance. Any deviation from set standards or variation in quality or process can lead to adverse reactions from both regulatory authorities and consumers. We have built sufficient control measures to avoid some occurrences.

All our manufacturing plants are FSSC 22000 (Food Safety Systems Certification) as well as GMP (Good Manufacturing Practices) certified to ensure safety and consistency. We also ensure that all of the stakeholders down the supply chain (C&FA and Distributors) have a valid license to sell and distribute our products.

## Ethics and Accountability

### Zydus Wellness' Corporate Governance Philosophy

We, at Zydus Wellness believe that good corporate governance is a necessary element for the sustained wellness of all its stakeholders and hence, the organization as a whole. We ensure that we meet our stakeholders' expectations through our corporate governance practices. These enable us to manage affairs with transparency, accountability, diligence and responsibility.

Hence, we have developed our systems and practices that cover performance accountability, effective management control, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues.

**Zydus Wellness' corporate governance structure is based on three core principles:**

#### Transparency

Our commitment to higher levels of transparency helps us ensure that we gain deep and long-standing trust of our stakeholders

#### Fairness

In all our transactions with the stakeholders, we ensure that fair play and integrity are maintained

#### Accountability

We hold ourselves responsible for what we do, regarding various business aspects spread across all stakeholder categories



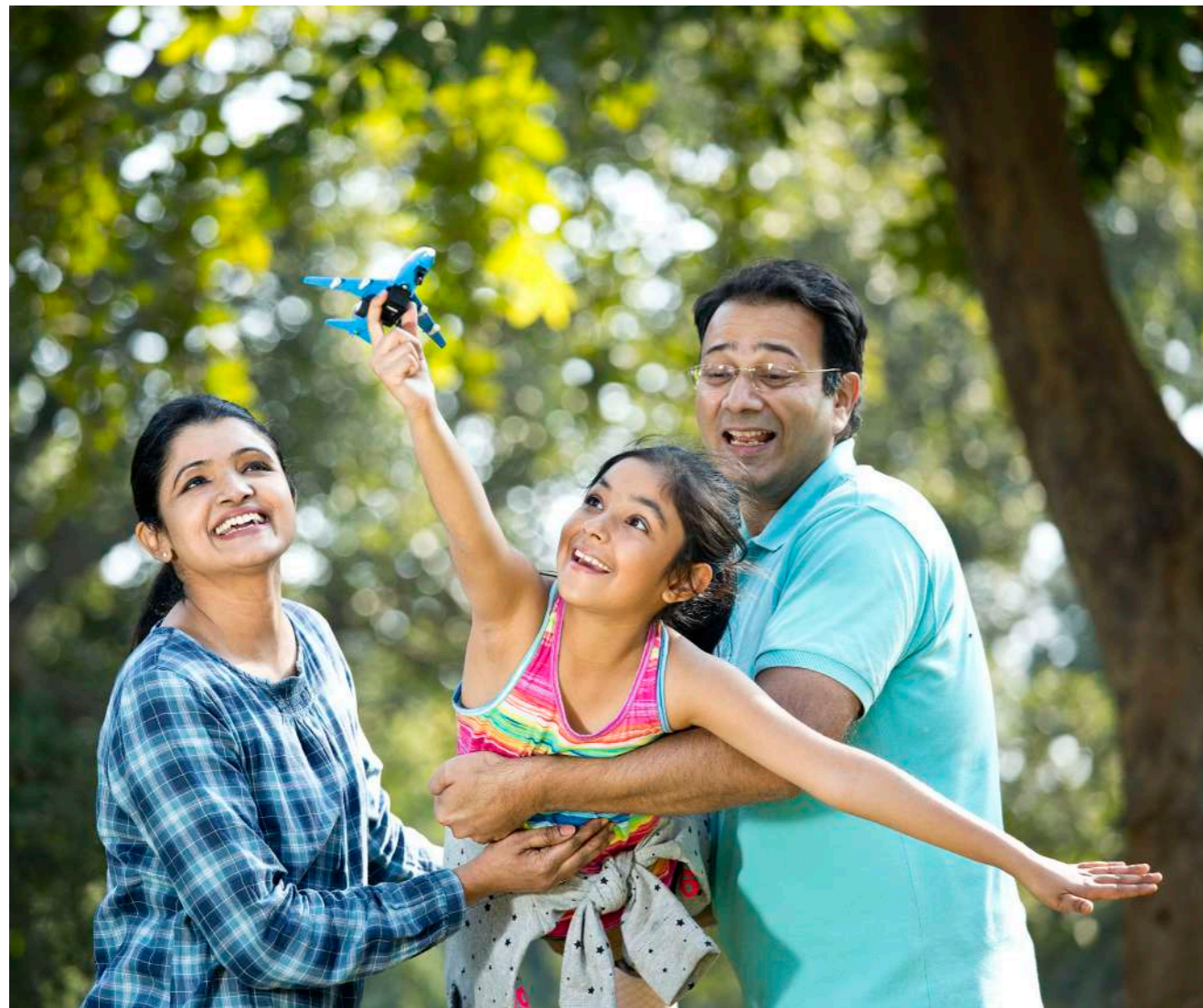
## Economic Value Creation

During Financial Year 2021-22, the Company registered revenue growth of 7.6% (over previous FY 2020-21) standing at 2,00,910 lakhs. During the first half of the year, pandemic induced setbacks impacted sales of summer heavy brands like Glucon-D and Nycil; whilst global uncertainty infused economic challenges, particularly the rising level of inflation, softened the consumer demand in the second half. Zydus Wellness however demonstrated unwavering determination and resilience to minimize the impact of these challenges on business. Our governance mechanism, including our risk management principles and practices, which are aligned to the dynamic macro-economic conditions have a significant role to play here. While these have been foundational traits to the company, their existence bore fruits specifically during the fluid times.

For quantification of economic value created across the organization's ecosystem, financial statements could be referred in the respective annual reports:

- FY 2021-22: <https://www.zyduswellness.com/investor/investorAnnual-Report-21-22.pdf>
- FY 2020-21: <https://www.zyduswellness.com/investor/Annual-Report-20-21.pdf>

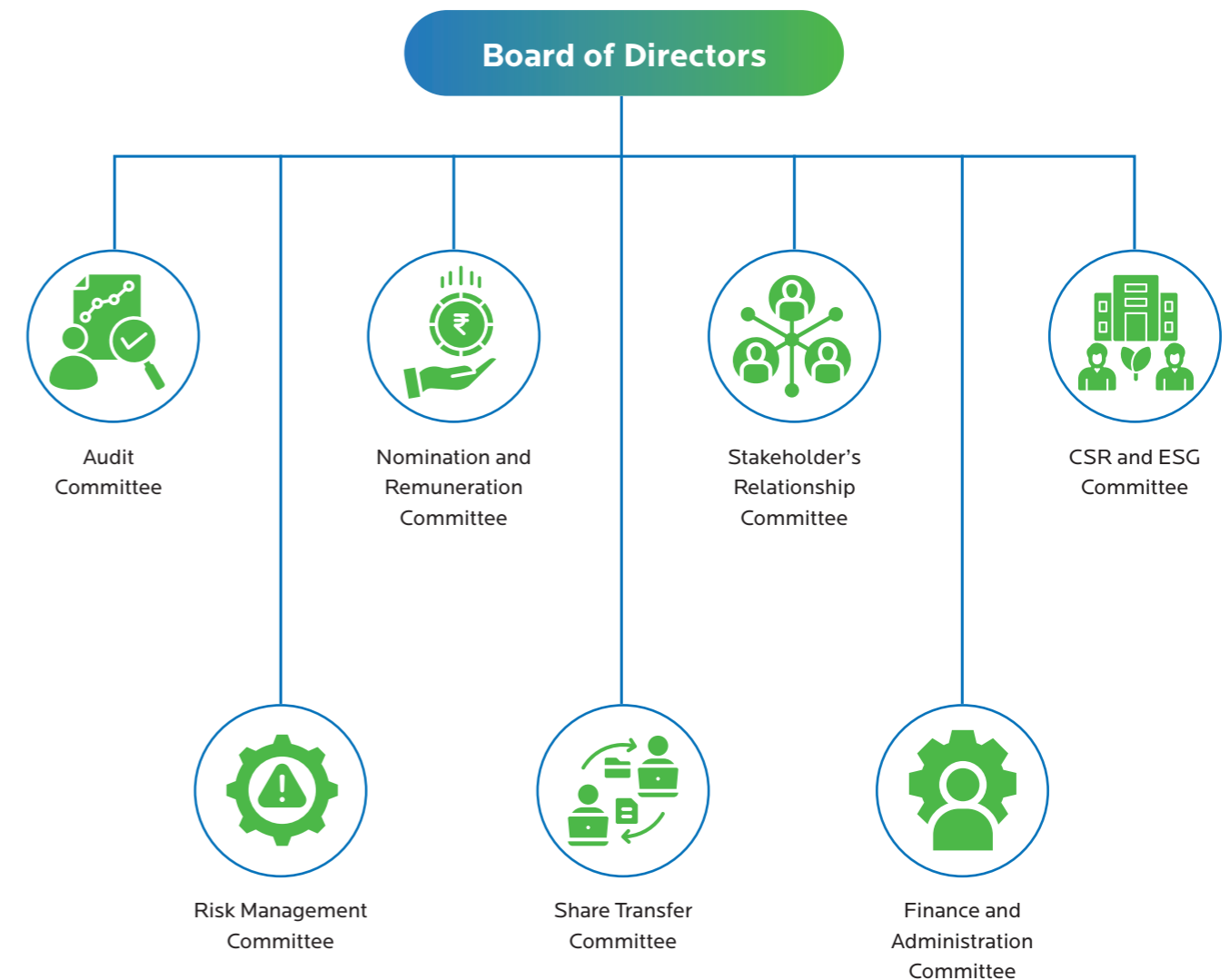
Further, as described in the section on "empowering local suppliers", our milk procurement operations from dairy farmers ensure a constant source of livelihood for them, with indirect benefits that cascade across their ecosystem.



## Governance Structure

Zydus Wellness' governance structure is made up of the Board, the Committees of the Board at the top level and the internal governance structure at the operational level. Freedom of executive management forms the basis of

the principles behind the governance structure. We have framework in place in order to ensure that the executive management handles these powers with extreme care and responsibility.



At the top, the Board is responsible to improve the returns of all the stakeholders and at the same time protect their interests. To achieve this goal, the Board overlooks the strategic path of the organization along with the corresponding controls, which includes developing and periodically reviewing policies, ensuring that a reporting mechanism is in place and a formal decision making process is being followed.

The Chief Executive Officer and Whole Time Director, acts under the supervision and guidance of the Board and is responsible for the overall functioning of the organization. He is accountable for the implementation of the strategies, policies and decisions aligned with the Board and its Committees.



## Board of Directors

We, at Zydus Wellness, have a balanced Board structure to look after the direction and performance of the organization. The Board is responsible for the general management and ensuring the long-term success of the business. At least once in every quarter, the Board sits down with the CEO and Whole Time Director to review the performance of the organization and make any strategic or policy changes, if necessary.

The composition of the Board of Directors is in compliance with the requirements of the SEBI (Listing Obligation and

Disclosure Requirements), 2015 and have a balanced mix of Executive and Non-Executive Directors.

The Board is headed by Dr. Sharvil P. Patel, who is the Non-Executive Chairman and also a Promoter Director. The Board of Directors consists of one Executive Director and seven Non-Executive Directors, amongst which four are Independent Directors and one is Nominee Director, who have rich expertise in their respective fields.

| Name of the Director       | Key Skills  |
|----------------------------|---|
| Dr. Sharvil P. Patel       | Knowledge and expertise in pharmaceuticals and Fast-Moving Consumer Goods segment ("FMCG"), manufacturing, marketing, business and management |
| Ms. Dharmishtaben N. Raval | Knowledge and expertise in law  |
| Mr. Ganesh N. Nayak        | Knowledge and expertise in pharmaceuticals and FMCG, manufacturing, marketing, business and management  |
| Mr. Savyaschi S. Sengupta  | Knowledge and expertise in manufacturing, marketing, business and management  |
| Mr. Kulin S. Lalbhai       | Knowledge and expertise in finance, business and management in FMCG and consumer business   |
| Mr. Srivishnu R. Nandyala  | Knowledge and expertise in manufacturing, marketing, business and management  |
| Mr. Ashish P. Bhargava     | Knowledge and expertise in finance, marketing, business and management  |
| Mr. Tarun Arora            | Knowledge and expertise in finance, manufacturing, marketing, business and management in FMCG   |

The key governance indicators are given below

| Governance Indicator                            | Zydus Wellness             |
|---|----------------------------|
| <b>General Indicators</b>                       |                            |
| Board size (As on March 2022)                   | 8                          |
| No. of Independent Directors (As on March 2022) | 50%                        |
| Gender Diversity - % Women Directors            | 12.50%                     |
| Average Independent Directors Tenure            | 4                          |
| Average Board Tenure                            | 7                          |
| Independent Directors: Independence criteria    | Disclosed in Annual Report |
| Average Age                                     | 54                         |
| Age Diversity: 30-39 Years                      | 12.50%                     |
| Age Diversity: 40-49 Years                      | 25%                        |
| Age Diversity: 50-59 Years                      | 25%                        |
| Age Diversity: 60-69 Years                      | 37.50%                     |
| Number of Board meetings                        | 4                          |
| Average Attendance                              | 96.80%                     |
| Minutes of the meeting                          | Within 15 days             |

| Governance Indicator   | Zydus Wellness |
|--|----------------|
| Number of Committee Meetings   | 28             |
| <b>Board Skill</b>   |                |
| Independent Directors - FMCG Industry Experience                             | Yes            |
| Independent Directors - Financial Expertise                                  | Yes            |
| <b>Board Evaluation</b>  |                |
| Board evaluation – annual (formally)   | Yes            |
| Committee evaluation – annual (formally)                                     | Yes            |
| Individual Director evaluation – annual (formally)                           | Yes            |
| Evaluation criteria – Defined and disclosed                                  | Yes            |
| Questionnaire based evaluation   | Yes            |
| <b>Audit Committee</b>   |                |
| Size of Audit Committee  | 6              |
| Independent Director as Chairperson  | Yes            |
| Independent Directors (%) (As on March 2022)                                 | 66.67%         |
| Audit Committee Charter  | Yes            |
| Number of Audit Committee meetings   | 4              |
| <b>Nomination &amp; Remuneration Committee</b>                               |                |
| Size of Nomination & Remuneration Committee                                  | 4              |
| Independent Directors (%) (As on March 2022)                                 | 75%            |
| Independent Director as Chairperson  | Yes            |
| NRC Charter  | Yes            |
| Number of NRC meetings   | 1              |
| <b>Corporate Social Responsibility and ESG Committee (w.e.f. 29/07/2022)</b> |                |
| Size of the CSR and ESG Committee  | 3              |
| Independent Directors (%)  | 75%            |
| CSR Charter  | Yes            |
| Number of CSRC meetings  | 1              |
| <b>Stakeholders'/Investors' Relationship Committee</b>                       |                |
| Number of SRC meetings   | 1              |
| <b>Risk Management Committee (RMC)</b>                                       |                |
| Size of the RMC  | 4              |
| Number of RMC meetings   | 2              |
| Independent Directors (%)  | 50%            |
| Independent Director as Chairperson  | No             |
| RMC Charter  | Yes            |
| <b>Executive Remuneration</b>  |                |
| CEO to employee remuneration (median) ratio                                  | 19.92          |
| Annual declaration of the ratio conducted                                    | Yes            |
| <b>Whistle Blower Policy</b>   |                |
| Number of whistle blower complaints received                                 | 0              |
| Whistle blower coverage - Employees  | 100%           |
| Whistle blower reporting mechanism - Email                                   | Yes            |

| Governance Indicator  | Zydus Wellness |
|---|----------------|
| Whistle blower reporting mechanism - Letter   | Yes            |
| Political Contributions   |                |
| Contributions made to political campaigns, political organizations, lobbyists or lobbying organizations, trade associations and other tax-exempt groups | Nil            |
| <b>Contribution to trade associations</b>   |                |
| Membership fees were paid to the following trade associations during FY 2021-22:  |                |
| 1. The Confederation of Indian Industry   |                |
| 2. Federation of Indian Chambers of Commerce & Industry   | INR 2 lakhs    |
| 3. All India Food Processors' Association   |                |
| 4. Protein Foods and Nutrition Development Association of India.  |                |

## ESG Governance in Action

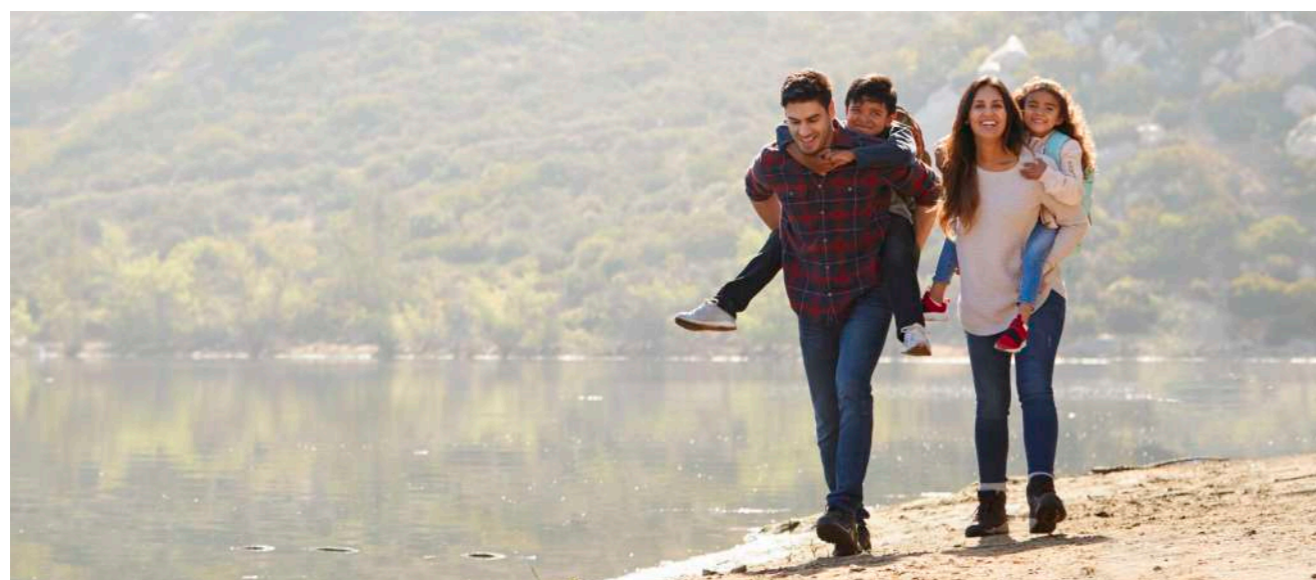
A key step in strengthening our actions towards sustainable business practices was to set up a new governance structure for managing ESG risks and integrating ESG aspects within the usual operations at Zydus. Further, to drive a top-down approach to ESG, our Board of Directors has reconstituted 'Corporate Social Responsibility Committee' to the 'Corporate Social Responsibility and Environment, Social, and Governance Committee in FY 2021-22.

One of the key mandates of the Committee will be to oversee and monitor ESG performance, strategies and initiatives and how they contribute to our commitment towards creating long-term value for our stakeholders. The Committee comprises two Non-Executive Directors and one Independent Director as members and is headed by

Dr. Sharvil P. Patel, Chairman of the Board and Non-Executive Director.

The Committee is also working towards introducing a Supplier Code of Conduct which will lay down the behavioral and ethical standards, including labor practices, business ethics, regulatory compliance and ESG performance, we expect from our partners along the value chain. The Committee will meet twice a year to deliberate on the Company's performance against key ESG metrics and monitor the progress against targets.

All key policies are publicly available on our website at [www.zyduswellness.com](http://www.zyduswellness.com) and other internal policies are available for all employees on internal portal of the Company.



## Fines paid and Settlement

| Category  | Unit | FY      |             |         |
|---|------|---------|-------------|---------|
|   |      | 2021-22 | 2020-21     | 2019-20 |
| Fines or settlements related to Anti-competitive practices  | INR  |         | No Incident |         |
| Ongoing investigations related to anti-competitive practices  | No.  |         | No Incident |         |
| Confirmed cases of Corruption & Bribery   | No.  |         | No Incident |         |
| Current involvement in any ongoing corruption and bribery cases   | No.  |         | No Incident |         |
| Contributions to and spending for political campaigns, political organizations, lobbying, trade associations, tax-exempt entities | INR  |         | No Incident |         |
| No. of incidents of discrimination and harassment   | No.  |         | No Incident |         |
| Cases/ instances of human rights violations   | No.  |         | No Incident |         |
| Upheld regulatory complaints concerning marketing and selling practices   | No.  |         | No Incident |         |
| Upheld self-regulatory complaints concerning marketing and selling practices  | No.  |         | No Incident |         |
| Class I product recalls   | No.  |         | No Incident |         |
| Class II product recalls  | No.  |         | No Incident |         |
| Regulatory agency inspections   | No.  |         | No Incident |         |
| Form 483 Observations (or equivalent)   | No.  |         | No Incident |         |
| FDA Warning Letters (or equivalent)   | No.  |         | No Incident |         |
| Complaints concerning breaches of customer privacy and losses of customer data  | No.  |         | No Incident |         |
| Significant fines related to environmental or ecological issues in the past four fiscal years                                     | No.  |         | No Incident |         |
| Incidents of discrimination and harassment  | No.  |         | No Incident |         |

## Our Approach to Risk Management

Rigorous and continuous management of risks is an integral part of our business. We have a two-pronged approach to risk management. We identify and address both operational risks that are a threat to our short and medium term plans, as well as strategic risks that can impact our ability to deliver value over the long term. We do so via our Risk Management Framework which has been designed to identify, monitor and minimize the adverse impacts of strategic, operational, financial and compliance risks.

The framework lays down the end-to-end steps for risk management, starting with risk identification and reporting, assessment and analysis and finally developing

a mitigation plan. It is a comprehensive and structured approach to risk management at Zydus, intended to ensure sustainable business growth.

In compliance with regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have constituted a Risk Management Committee, which is responsible for the implementation of the Risk Management framework within the Company. While it is the responsibility of the Committee to identify and document the risks impacting the Company, the heads of individual departments in the Company are responsible for implementing risk management systems as applicable to their areas of concern.

The Committee is headed by Dr. Sharvil P. Patel, Chairman of the Board, who acts as the Chairman of the Committee, and comprises primarily of Independent Directors and the Chief Financial Officer (CFO). Mr. Umesh V. Parikh, the CFO, assumes the responsibility of Chief Risk Officer and maintains a risk register which is continuously updated with inputs from the heads of all the business functions. The CFO assumes the responsibility to develop the strategy around cybersecurity and ensures that adequate processes and controls are implemented to protect information assets.

We have also framed a Risk Management Policy which lays down detailed steps of the framework, the roles and responsibilities of the Risk Management Committee, the senior management of the Company and employees.

Since our business comprises of manufacturing and marketing of consumer wellness products, a few key risks, as identified by the Committee, which can impact our operations includes:

- **Inflation and cost structures:**  
Prices of key ingredients used in the products manufactured and marketed remain volatile due to several market-related factors, including changes in government policies, inflationary environment and fluctuations in the foreign exchange, resulting in price fluctuations of products
- **Competition and subsequent price pressure:**  
Though most of the Company's products enjoy leading positions in their respective categories, the risk of competition from existing players as well as from new entrants remains high
- **Litigation risks related to product quality and intellectual properties:**  
The Company's products and their manufacturing and supply chain processes are required to maintain high quality standards. Any deviation from prescribed regulations or any variation in quality from standards laid down by regulatory authorities can lead to actions from these authorities or litigation from consumers. The Company also faces the risk of litigation from its competitors or consumers on claims it makes for values its products offer

- **Impact on business due to risk of shift or delay in seasons:**  
The delay or shift in seasons may impact the business of some of the brands like Glucon-D and Nycil which are largely dependent on the onset of a good summer season in India
- **Counterfeit products:**  
The production of counterfeit products poses a significant threat to the Company's credibility resulting in loss of sales and consumers trust in the brand
- **Supply chain disruptions:**  
Covid-19 and geopolitical uncertainty around the world have put the resilience and continuity of the Company's supply chain at risk. The supply chain network is exposed to potentially adverse events such as physical disruptions, environmental and industrial accidents, labour unrest, trade restrictions or disruptions at a key supplier, which could hamper the Company's efficiency and delivery
- **Human Resources:**  
Disruptions in day-to-day business function caused due to improper human resource management, which could lead to excessive attrition rate, entry of sub-par talent, lack of motivation and engagement, limited growth and development avenues
- **Under penetration of certain categories:**  
Some of the categories in which the Company operates are under-penetrated currently which poses one of the risks for the aspiration and growth strategy of the Company. The Company constantly innovates to meet the expectation of all its consumers and therefore offers unique product propositions which would help to grow the brands and their respective categories.

These risks and others identified by the Committee are assessed and prioritized on the basis of likelihood and impact (financial as well as non-financial in terms of implications on the image and reputation of the Company). Each risk is classified as 'High', 'Medium' or 'Low'; depending on the outcome of the assessment. On the basis of these risk ratings, appropriate mitigation strategies are developed and implemented by the senior management in a time bound manner and monitored periodically by the Risk Management Committee.

## Emerging Risks

### Risk of evolving customer tastes, preferences and behavior

Customer tastes, preferences, and behavior are constantly evolving, and this can present a range of potential risks to business, in terms of decreased revenues, reduced profitability. As customers' expectations and preferences shift, businesses must be ready to innovate. This will ensure the company to remain competitive in long term.

Zydus Wellness is cognizant of any potential changes in the external environment that could influence consumer tastes, preferences and behaviors. We monitor such changes by continuously monitoring customer feedback, conducting research on emerging trends through internal and external experts and staying up to date with the market trends. We constantly diversify our product portfolio to appeal to a larger demographic. Our R&D team, in close coordination with marketing team, play a crucial role in this.

### Failure to intercept and thwart cybersecurity threats can lead to significant risks of data leak, loss of intellectual property, and compromised confidential unpublished price sensitive information

While the adoption of digitized systems was accelerated since the start of this decade, the pandemic, and the

related changes in methods of remote work have further sped the adoption of digital systems across organizations. Remote access to company networks also leads to risks and vulnerabilities for breaches and cyber threats. 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.

Zydus Wellness has been working on digital transformation and our initiatives have been highlighted in the ESG report. The matter of cybersecurity and data protection has been kept as a focus area by relevant teams and is also evaluated by the Board in every quarter. 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.

Zydus Wellness 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.



## Policies

Policies across the organization play a significant role in promoting an ethical working culture. Under the supervision of the Board, we have drafted the following policies and ensured that our employees; and in some cases, external entities such as business partners are complying or, are aware of them. Some of our key policies includes:

- Whistle blower policy
- Code of Business Conduct and Ethics Policy

- Code of Conduct for Vendors
- Human Rights Policy
- Board Diversity Policy
- Risk Management Policy
- Prevention of Sexual Harassment of Women at Workplace

The detailed list of the policies can be found at <https://www.zyduswellness.com/investors.php>

## Grievance Redressal Mechanism

| Stakeholder group       | Process   | FY 2021-22                                 |  |
|-------------------------|---|--|--|
|                         |   | Number of complaints filed during the year | Number of complaints pending resolution at close of the year |
| Investors/ Shareholders | The Company has formed an Investors' / Stakeholders' Relationship Committee to redress any grievances of members and investors and dedicated email id for the same is <a href="mailto:investor.grievance@zyduswellness.com">investor.grievance@zyduswellness.com</a> (shareholders) and <a href="mailto:investorcommunication@zyduswellness.com">investorcommunication@zyduswellness.com</a> (investors)  | Nil  | Nil  |
| Employees and Workers   | The Company has implemented employee friendly HRMS tool, "Adrenalin", containing "REACHOUT" section is the primary channel for grievance redressal.<br><br>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.<br><br>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 <a href="https://www.zyduswellness.com/investor/whistle-blower-policy-revised-may-28-2019-final.pdf">https://www.zyduswellness.com/investor/whistle-blower-policy-revised-may-28-2019-final.pdf</a> | Nil  | Nil  |
| Customers               | The Company has a dedicated customer relationship cell to address customer related grievances details of which are provided on package of the Product and also on the website of the Company at <a href="mailto:customercare@zyduswellness.com">customercare@zyduswellness.com</a>  | 772  | Nil  |

## Investor Relations

Stakeholders occupy a key position in the discourse around sustainability. We, at Zydus Wellness, have always taken up a focused approach to engage with them. We have a dedicated Investor Relations (IR) team which reports to the CFO. The team ensures an effective and transparent communication from the company to its external stakeholders through the following channels:

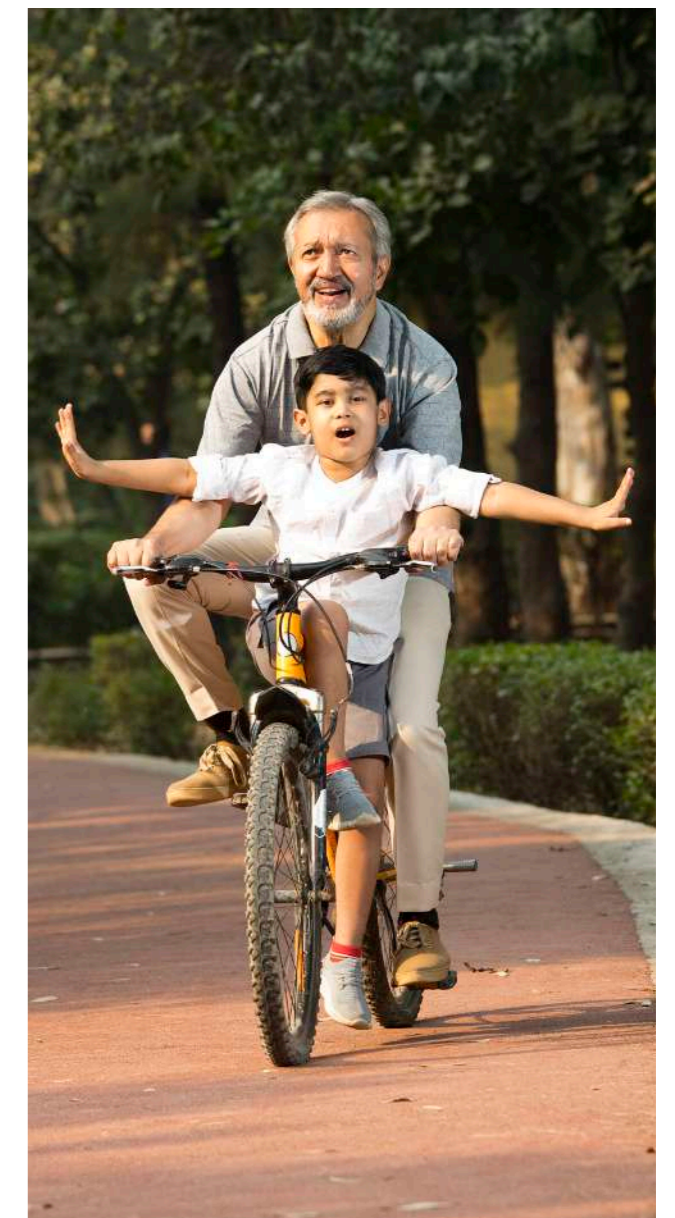
- Quarterly investor conference calls with analysts and institutional investors
- Investor presentations and publishing earnings call transcripts on the website of the company and the stock exchanges
- Conducting Annual General Meetings & publishing annual report on the website of the Company and the stock exchanges
- Publication of Press releases on website of the Company and the stock exchanges
- A dedicated section of investors on website of the Company
- To address investor grievances by Stakeholder Relationship Committee comprising of directors
- Attending investor conferences and roadshows throughout the year and conducting one-to-one investor meetings
- Circulating regular updates about the Company, new launches, new media campaign etc. to our key stakeholders through email

Specifically, during the FY 2021-22, the representatives of the Company have attended below Investor conferences/ roadshows apart from hosting quarterly results investor calls and one-to-one meeting requests:

- Jefferies Conference
- Amsec securities Conference
- Ambit Capital - Investor Connect conference
- Motilal Oswal 17th Annual Global Investor Conference
- Spark capital road show
- ICICI Securities Consumption Conversations
- Jefferies India Mid-Cap Summit 2022
- Motilal Oswal Investor Conference 2022

It is a priority for us to stay in touch with both our "Buy Side" and "Sell Side" investors/analyst, with regards to company updates and answer any queries related to future growth and business vision of the company. This has helped us to increase the "Sell Side" coverage of our Company. As a result, we have added below new coverages during FY 2021-22 who hold a positive outlook towards the Company

- Ambit Capital
- BOB Capital
- Yes Securities



## Awards and Recognitions

**Campaign Name - India Ka Longest Breakfast Table**

- Silver - Use of User Generated Content Category

Received from DigiPlus Awards

**Campaign Name - India Ka Longest Breakfast Table**

- Gold - Content Marketing (CPG\_F&B)
- Bronze - Experiential (CPG)
- Bronze - Marketing Excellence during COVID-19 Lockdown (F&B)

Received from AdGully DIGIXX Awards

**Integrated Manufacturing Excellence initiatives by Kaizen Hansei**

- IMexl Award - Aligarh Plant
- IMexl - Sikkim Plant

**NAMC (National Award for Manufacturing Competitiveness) by IRIM (International Research Institute for Manufacturing)**

- NAMC Diamond Trophy (National Award for Manufacturing Competitiveness) - Ahmedabad Plant
- NAMC Gold Award - Aligarh Plant
- NAMC Silver Award - Sitarganj Plant

**World HRD Congress**

- CEO with HR Orientation
- Organization with Innovative HR Practices
- Dream Employer of the Year

## Supplementary Information on ESG

### Emissions of ozone-depleting substances (ODS)

| Category        | Unit   | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|-----------------|--------|------------|------------|------------|
| HCFC-22 or R-22 | Tonnes | 9.18       | 12.23      | 18.18      |

### Research & Development

| Category                        | Unit        | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|---------------------------------|-------------|------------|------------|------------|
| Research & Development spending | Million INR | 94.8       | 90.1       | 91.5       |

### Waste Disposal by Category and Method

| Category                   | Unit | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|----------------------------|------|------------|------------|------------|
| <b>Hazardous</b>           |      |            |            |            |
| Authorized disposal agency | MT   | 2.11       | 3.59       | 4.32       |
| Authorized recycler        | MT   | 3.24       | 2.81       | 2.53       |
| Incineration/co-processing | MT   | 81.46      | 47.26      | 87.31      |
| <b>Non-Hazardous</b>       |      |            |            |            |
| Authorized recycler        | MT   | 1128.57    | 937.07     | 1018.39    |

### Employee Information

| Category                  | Employees | Unit | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|---------------------------|-----------|------|------------|------------|------------|
| Senior management (L12+)  | Male      | No.  | 42         | 42         | 51         |
|                           | Female    | No.  | 5          | 4          | 4          |
|                           | <30       | No.  | 0          | 0          | 0          |
|                           | 30-50     | No.  | 32         | 31         | 40         |
|                           | >50       | No.  | 15         | 15         | 15         |
| Middle management (L5-11) | Male      | No.  | 139        | 150        | 169        |
|                           | Female    | No.  | 11         | 13         | 21         |
|                           | <30       | No.  | 1          | 1          | 7          |
|                           | 30-50     | No.  | 131        | 144        | 162        |
|                           | >50       | No.  | 18         | 18         | 21         |
| Junior management (L1-L4) | Male      | No.  | 482        | 461        | 514        |
|                           | Female    | No.  | 21         | 25         | 28         |
|                           | <30       | No.  | 110        | 69         | 95         |
|                           | 30-50     | No.  | 363        | 386        | 419        |
|                           | >50       | No.  | 30         | 31         | 28         |
| Total                     | No.       | No.  | 700        | 695        | 787        |
|                           | Male      | No.  | 663        | 653        | 734        |
|                           | Female    | No.  | 37         | 42         | 53         |

| Category                  | Employees | Unit | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|---------------------------|-----------|------|------------|------------|------------|
| Permanent Workers         | Male      | No.  | 365        | 399        | 400        |
|                           | Female    | No.  | 2          | 2          | 3          |
|                           | <30       | No.  | 106        | 128        | 129        |
|                           | 30-50     | No.  | 206        | 192        | 193        |
| Contractual Employees     | >50       | No.  | 55         | 81         | 81         |
|                           | Male      | No.  | 20         | 17         | 17         |
| Contractual Workers       | Female    | No.  | 8          | 9          | 9          |
|                           | No.       | No.  | 1301       | 1339       | 866        |
|                           | Male      | No.  | 1052       | 1136       | 635        |
| Total unionized employees | Female    | No.  | 249        | 203        | 230        |
|                           | 173       |      |            |            |            |

### New Employee hires

| Category                  | Employees | Unit | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|---------------------------|-----------|------|------------|------------|------------|
| Senior management (L12+)  | Male      | No.  | 8          | 6          | 3          |
|                           | Female    | No.  | 2          | 0          | 0          |
|                           | <30       | No.  | 0          | 0          | 0          |
|                           | 30-50     | No.  | 10         | 4          | 3          |
| Middle management (L5-11) | >50       | No.  | 0          | 2          | 0          |
|                           | Male      | No.  | 32         | 21         | 20         |
|                           | Female    | No.  | 0          | 0          | 3          |
|                           | <30       | No.  | 1          | 0          | 0          |
| Junior management (L1-L4) | 30-50     | No.  | 31         | 21         | 22         |
|                           | >50       | No.  | 0          | 0          | 1          |
|                           | Male      | No.  | 172        | 79         | 85         |
|                           | Female    | No.  | 10         | 6          | 5          |
| Contractual employees     | <30       | No.  | 71         | 18         | 14         |
|                           | 30-50     | No.  | 109        | 66         | 76         |
|                           | >50       | No.  | 2          | 1          | 0          |
| Total                     | Male      | No.  | 18         | 17         | 17         |
|                           | Female    | No.  | 9          | 9          | 9          |

### Employee Turnover

| Category                  | Employees | Unit | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|---------------------------|-----------|------|------------|------------|------------|
| Senior management (L12+)  | Male      | No.  | 11         | 10         | 8          |
|                           | Female    | No.  | 0          | 2          | 0          |
|                           | <30       | No.  | 0          | 0          | 0          |
|                           | 30-50     | No.  | 10         | 10         | 7          |
| Middle management (L5-11) | >50       | No.  | 1          | 2          | 1          |
|                           | Male      | No.  | 40         | 36         | 38         |
|                           | Female    | No.  | 3          | 2          | 7          |
|                           | <30       | No.  | 0          | 3          | 4          |
| Junior management (L1-L4) | 30-50     | No.  | 42         | 34         | 37         |
|                           | >50       | No.  | 1          | 1          | 4          |
|                           | Male      | No.  | 187        | 141        | 87         |
|                           | Female    | No.  | 10         | 11         | 6          |
| Total                     | <30       | No.  | 39         | 36         | 23         |
|                           | 30-50     | No.  | 148        | 106        | 70         |
|                           | >50       | No.  | 10         | 10         | 0          |

### Trainings Man Hours

| Category | Unit                | FY 2021-22 | FY 2020-21 |
|----------|---------------------|------------|------------|
| Male     | No. of participants | 1412       | 2139       |
|          | Hours               | 3406       | 3850       |
| Female   | No. of participants | 142        | 44         |
|          | Hours               | 239        | 62         |
| Total    | No. of participants | 1554       | 2183       |
|          | Hours               | 3645       | 3912       |

Average Training hours per FTE = 2.34; Average cost of training and development = INR 7,143 per FTE

### Remuneration/salary/wages

| Category                         | Number | Male  | Number | Female  |
|----------------------------------|--------|---|--------|---|
|                                  |        | Median remuneration/ salary/ wages of the respective category (Amt. in INR Million) |        | Median remuneration/ salary/ wages of the respective category (Amt. in INR Million) |
| Board of Directors (BoD)         | 7      | 0.13  | 1      | 0.14  |
| Key Managerial Personnel         | 3      | 11.75   | 0      | -   |
| Employees other than BoD and KMP | 689    | 1.11  | 42     | 0.17  |
| Workers                          | 402    | 1.28  | 0      | -   |

## Parental Leave

| Category   | Unit | FY 2021-22 |        | FY 2020-21 |        | FY 2019-20 |        |
|--|------|------------|--------|------------|--------|------------|--------|
|  |      | Male       | Female | Male       | Female | Male       | Female |
| Employees entitled for parental leave  | No.  | 663        | 37     | 653        | 42     | 734        | 53     |
| Employees that took parental leave   | No.  | 6          | 3      | 0          | 0      | 13         | 1      |
| Employees that returned to work in the reporting period after parental leave ended                                       | No.  | 100%       | 100%   | 100%       | 100%   | 100%       | 100%   |
| Employees that returned to work after parental leave ended that were still employed 12 months after their return to work | No.  | 5          | 3      | 0          | 0      | 12         | 1      |
| Rate of Return to work that took parental leave  | %    | 100%       | 100%   | 100%       | 100%   | 100%       | 100%   |
| Retention rates of employees that took parental leave  | %    | 83%        | 100%   | 100%       | 100%   | 92%        | 100%   |

## Health and Safety

| Category  | Unit | FY 2021-22 |         | FY 2020-21 |         | FY 2019-20 |         |
|---|------|------------|---------|------------|---------|------------|---------|
|   |      | Employees  | Workers | Employees  | Workers | Employees  | Workers |
| Fatalities (as a result of work related injury for employees)                     | No.  | Nil        | Nil     | Nil        | Nil     | Nil        | Nil     |
| Fatalities (as a result of work related injury for contractors)                   | No.  | Nil        | Nil     | Nil        | Nil     | Nil        | Nil     |
| High consequence work related injuries (excluding fatalities)                     | No.  | Nil        | Nil     | Nil        | Nil     | Nil        | Nil     |
| Recordable work related injuries for fatalities (Permanent Employees)             | No.  | Nil        | Nil     | Nil        | Nil     | Nil        | Nil     |
| Recordable work related injuries for fatalities (Contractual and Other Employees) | No.  | Nil        | 3       | Nil        | Nil     | Nil        | Nil     |
| LTIFR (employees)   | No.  | Nil        | Nil     | Nil        | Nil     | Nil        | Nil     |
| LTIFR (contractors)   | No.  | Nil        | Nil     | Nil        | Nil     | Nil        | Nil     |
| Man hours worked  | No.  | 1132748    | 3631110 | 992151     | 2980583 | 1127697    | 3530355 |
| Rate of fatalities  | Rate | Nil        | Nil     | Nil        | Nil     | Nil        | Nil     |
| Rate of high consequence work related injuries                                    | Rate | Nil        | Nil     | Nil        | Nil     | Nil        | Nil     |
| Rate of recordable work related injuries  | Rate | Nil        | Nil     | Nil        | Nil     | Nil        | Nil     |
| Lost day rate (employees)   | Rate | Nil        | Nil     | Nil        | Nil     | Nil        | Nil     |
| Lost day rate (contractors)   | Rate | Nil        | Nil     | Nil        | Nil     | Nil        | Nil     |

## Benefits provided to Permanent employees and Temporary employees

| Category/Types of benefits provided                                    | Unit   | FY 2021-22            |                       | FY 2020-21            |                       | FY 2019-20            |                       |
|--|--------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  |        | Employees             |                       |                       |                       |                       |                       |
|  |        | Permanent             | Temporary/Part time   | Permanent             | Temporary/Part time   | Permanent             | Temporary/Part time   |
| Life insurance   | Yes/No | Yes                   | Not Applicable        | Yes                   | Not Applicable        | Yes                   | Not Applicable        |
| Health care  | Yes/No | Yes                   | No                    | Yes                   | No                    | Yes                   | No                    |
| Disability   | Yes/No | No                    | No                    | No                    | No                    | No                    | No                    |
| Parental leave (maternity leave or paternity leave)                    | Yes/No | Yes                   | No                    | Yes                   | No                    | Yes                   | No                    |
| Marriage leave (additional to Normal leaves allotted)                  | Yes/No | No                    | No                    | No                    | No                    | No                    | No                    |
| Bereavement leave (additional to Normal leaves allotted)               | Yes/No | No                    | No                    | No                    | No                    | No                    | No                    |
| Leave for Haj (additional to Normal leaves allotted)                   | Yes/No | No                    | No                    | No                    | No                    | No                    | No                    |
| Leave for Baptism (additional to Normal leaves allotted)               | Yes/No | No                    | No                    | No                    | No                    | No                    | No                    |
| Leave for Circumcision Ceremony (additional to Normal leaves allotted) | Yes/No | No                    | No                    | No                    | No                    | No                    | No                    |
| Retirement provision   | Yes/No | Yes                   | No                    | Yes                   | No                    | Yes                   | No                    |
| Stock ownership  | Yes/No | No                    | No                    | No                    | No                    | No                    | No                    |
| Transportation   | Yes/No | Yes (Plant Employees) | Yes (Plant Employees) | Yes (Plant Employees) | Yes (Plant Employees) | Yes (Plant Employees) | Yes (Plant Employees) |
| Housing  | Yes/No | No                    | No                    | No                    | No                    | No                    | No                    |
| Food allowance   | Yes/No | Yes                   | No                    | Yes                   | No                    | Yes                   | No                    |
| Extra paid holidays  | Yes/No | No                    | No                    | No                    | No                    | No                    | No                    |
| Citizenship leave  | Yes/No | No                    | No                    | No                    | No                    | No                    | No                    |
| Children Education Reimbursement                                       | Yes/No | No                    | No                    | No                    | No                    | No                    | No                    |
| Higher Education Policy  | Yes/No | No                    | No                    | No                    | No                    | No                    | No                    |
| Parental Medical Insurance   | Yes/No | Yes                   | No                    | Yes                   | No                    | Yes                   | No                    |
| Employee Car Scheme Policy   | Yes/No | Yes                   | No                    | Yes                   | No                    | Yes                   | No                    |

## GRI content Index

| GRI Disclosure |  | Topic  | Page No. |
|----------------|--|--|----------|
| 2-1            | Organizational details   | About Zydus Wellness                               | 03       |
| 2-2            | Entities included in the organization's sustainability reporting               | About the Report                                   | 03       |
| 2-3            | Reporting period, frequency and contact point                                  | About the Report                                   | 03       |
| 2-4            | Restatements of information  | About the Report                                   | 03       |
| 2-6            | Activities, value chain and other business relationships                       | About Zydus Wellness                               | 03       |
| 2-7            | Employees  | Supplementary Information on ESG                   | 55       |
| 2-8            | Workers who are not employees  | Supplementary Information on ESG                   | 55       |
| 2-9            | Governance Structure and Composition   | Annual Report                                      | 45       |
| 2-10           | Nomination and selection of the highest governing body                         | Annual Report                                      | 37       |
| 2-11           | Chair of the highest governance body   | Annual Report                                      | 03       |
| 2-12           | Role of the highest governance body in overseeing the management of impacts    | Annual Report                                      | 10       |
| 2-13           | Delegation of responsibility for managing impacts                              | Annual Report                                      | 56,57    |
| 2-14           | Role of the highest governance body in sustainability reporting                | ESG Governance in Action                           | 48       |
| 2-18           | Evaluation of the performance of the highest governance body                   | Annual Report                                      | 37       |
| 2-19           | Remuneration policies  | Annual Report                                      | 37       |
| 2-20           | Process to determine remuneration  | Annual Report                                      | 37       |
| 2-21           | Annual total compensation ratio  | Annual Report                                      | 49       |
| 2-22           | Statement on sustainable development strategy                                  | Message from Leadership                            | 10       |
| 2-23           | Policy commitments   | Policies   | 52       |
| 2-24           | Embedding policy commitments   | E,S,G Sections                                     | 15,22,43 |
| 3-1            | Process to determine material topics   | The material topics identified by our stakeholders | 12,13,14 |
| 3-2            | List of material topics  | The material topics identified by our stakeholders | 12,13,14 |
| 3-3            | Management of material topics  | The material topics identified by our stakeholders | 12,13,14 |
| 201-1          | Direct economic value generated and distributed                                | Annual Report                                      | 150      |
| 201-2          | Financial implications and other risks and opportunities due to climate change | Annual Report                                      | 33,34    |
| 201-3          | Defined benefit plan obligations and other retirement plans                    | Annual Report                                      | 104      |
| 201-4          | Financial assistance received from government                                  | Annual Report                                      | 158      |
| 204-1          | Proportion of spending on local suppliers                                      | Empowering local suppliers                         | 33       |
| 205-3          | Confirmed incidents of corruption and actions taken                            | Fines and settlements paid                         | 49       |

| GRI Disclosure |  | Topic                                     | Page No. |
|----------------|--|---|----------|
| 302-1          | Energy consumption within the organisation   | Energy Management                         | 15       |
| 302-3          | Energy Intensity   | Energy Management                         | 15       |
| 302-4          | Reduction of energy consumption  | Energy Management                         | 15       |
| 303-3          | Water Withdrawal   | Managing water usage                      | 19       |
| 305-1          | Direct (Scope 1) GHG emissions   | Energy Management                         | 17       |
| 305-2          | Energy indirect (Scope 2) GHG emissions  | Energy Management                         | 17       |
| 305-4          | GHG emissions intensity  | Energy Management                         | 17       |
| 305-5          | Reduction of GHG emissions   | Energy Management                         | 16       |
| 305-6          | Emissions of ozone-depleting substances (ODS)  | Supplementary Information on ESG          | 55       |
| 305-7          | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions                    | Managing Air Pollution                    | 18       |
| 306-1          | Waste generation and significant waste related impacts   | Managing waste                            | 20       |
| 306-2          | Management of significant waste related impacts  | Managing waste                            | 20       |
| 306-3          | Waste generated  | Managing waste                            | 20       |
| 306-4          | Waste diverted from disposal   | Managing waste                            | 20       |
| 306-5          | Waste directed to disposal   | Managing waste                            | 20       |
| 401-1          | New employee hires and employee turnover   | Supplementary Information on ESG          | 56       |
| 401-2          | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Supplementary Information on ESG          | 59       |
| 403-1          | Occupational health and safety management system   | Health and Safety training                | 40       |
| 403-2          | Hazard identification, risk assessment, and incident investigation                                 | Supplementary Information on ESG          | 58       |
| 403-5          | Worker training on occupational health and safety  | Health and Safety training                | 40       |
| 403-9          | Work related injuries  | Supplementary Information on ESG          | 58       |
| 404-1          | Average hours of training per year per employee  | Supplementary Information on ESG          | 57       |
| 404-2          | Programs for upgrading employee skills and transition assistance programs                          | Attracting and retaining the right talent | 24       |
| 406-1          | Incidents of discrimination and corrective actions taken   | Fines and settlements paid                | 49       |
| 415-1          | Political contributions  | Board of directors                        | 48       |





**Zydus Wellness Limited**

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**CIN:** L15201GJ1994PLCO23490

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