



ESG DATABOOK

Financial year
2025-26



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About the Report

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Zydus Wellness Limited (“Zydus Wellness” or “the Company”) is guided by its philosophy of creating products that bring a “wellness wave” into people’s lives. In line with this philosophy, the Company is committed to transparently sharing its sustainability performance and progress with stakeholders. This ESG Databook provides key Environmental, Social and Governance (ESG) disclosures and highlights the role of sustainability in the Company’s business operations and long-term journey.

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Reporting Period

The reporting period for this ESG Databook is **April 1, 2025, to March 31, 2026 (FY 2025-26)**. Its reporting boundary covers the standalone parent entity, Zydus Wellness Limited, its wholly owned subsidiaries, four manufacturing facilities located in Aligarh, Ahmedabad and Sikkim, and its offices across India and international locations.



About Zydus Wellness

Company Overview

Established in 1988, Zydus Wellness Limited is a diversified consumer wellness company with a strong presence across health, nutrition and personal care. Guided by its vision to “bring wellness to your life”, the Company develops innovative products designed to Nourish, Nurture and Energise consumers. Its portfolio spans sugar substitutes and low-sugar products, nutrition and energy drinks, healthy foods and spreads, protein snacks, skincare, personal care, hair care, and vitamins, minerals and supplements. The Company’s trusted brands include Sugar Free, I’m lite,

Glucon-D, Complan, Nutralite, RiteBite Max Protein, Everyuth, Nycil, Cuticolor, WeightWorld, Maxmedix and Animigo.

With four manufacturing facilities in India, a dedicated R&D Centre in Ahmedabad and operations across 44 countries and 6 continents, Zydus Wellness reaches approximately 2.8 million stores and positively impacts over 70 million families. Its continued focus on science-backed innovation, quality and evolving consumer needs supports the Company’s ambition to make wellness accessible, enjoyable and relevant across life stages.



Company Information

Revenue and Employees

Company Data	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Consolidated Revenues (Figures are Reported Revenues)	₹ 2,00,910 Lakhs	₹ 2,25,479 Lakhs	₹ 2,34,170 Lakhs	₹ 2,72,250 Lakhs	₹ 3,96,740 Lakhs
Consolidated Revenues in US Dollars (Revenues in US dollars at the exchange rate of fiscal year-end date)	\$ 2,697 Lakhs (\$/Rs: 74.50)	\$ 2,804 Lakhs (\$/₹: 80.40)	\$ 2,809 Lakhs (\$/₹86.51)	\$ 3,182 Lakhs (\$/₹85.54)	\$ 4,198.31 Lakhs (\$/₹94.5)
Total Employees (Permanent employees)	700	748	818	1,247	1,491
Male	661	705	758	1,177	1,291
Female	39	43	60	70	200

Note: The increase in FY 2025-26 consolidated revenue reflects the expanded consolidated business following the acquisition of Comfort Click Limited during the year.

Our Goals

Goals that turn ambition into action

Zyduz Wellness has defined measurable environmental, social and governance commitments aligned with recognized ESG frameworks. These goals guide resource stewardship, employee wellbeing and ethical conduct through 2030 and beyond.

- **NOW → 2030**

Deliver targeted reductions, increase renewable energy, advance inclusion, gender diversity and sustain zero-harm / zero-breach outcomes.

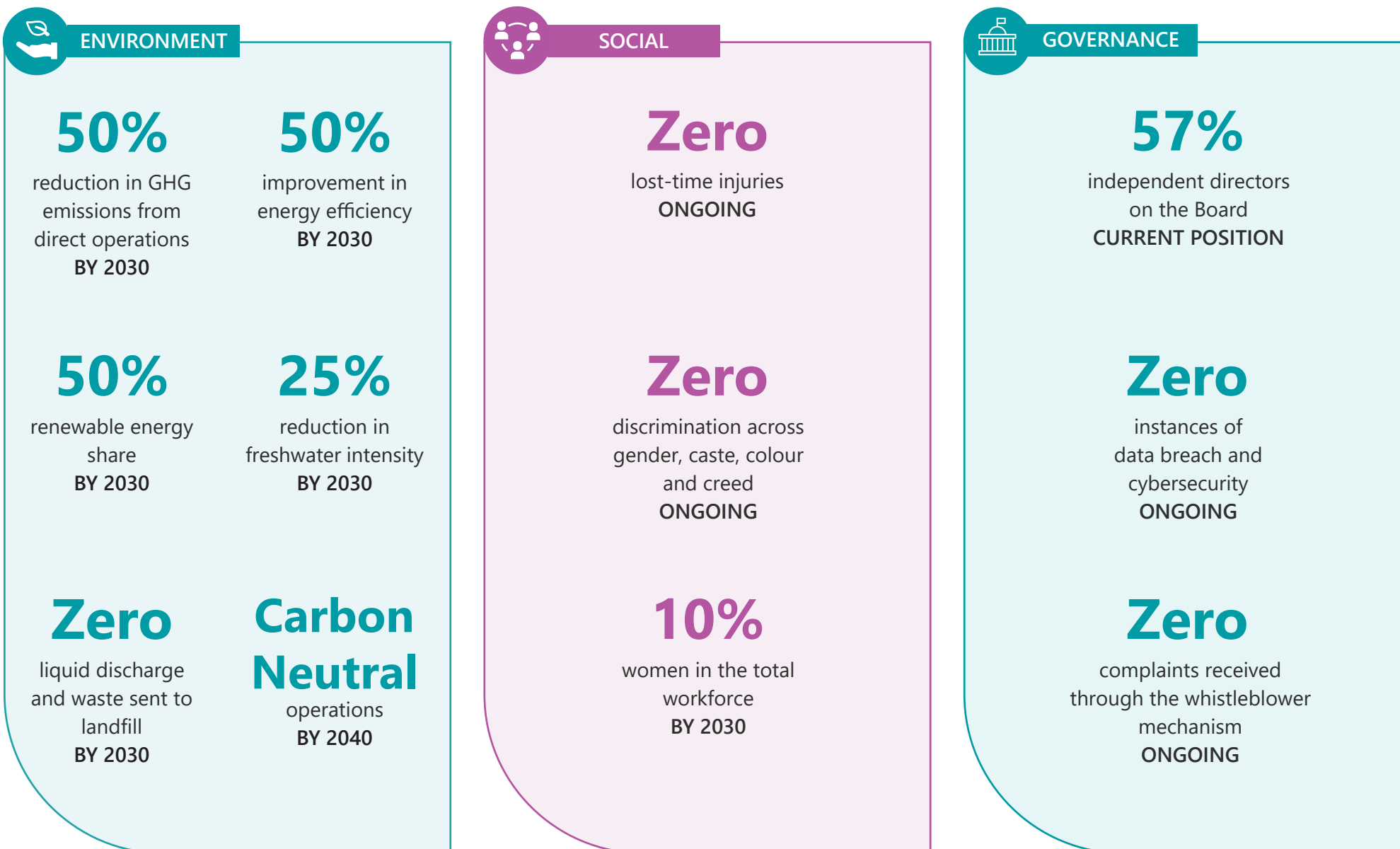
- **2030 MILESTONE**

Embed low-carbon, water-efficient, inclusive and accountable operating practices across the business.

- **2030 → 2040**

Continue the transition towards carbon-neutral operations by 2040.





* The Company has outlined specific 2030 environmental goals against the FY 2021-22 base year.

Message from our CEO



Dear Stakeholders,

The world around us continues to evolve rapidly, bringing new challenges, opportunities, and responsibilities for businesses. At Zydus Wellness, we believe that sustainable growth is inseparable from the well-being of our people, communities, and the planet. Our ESG journey is therefore not a standalone initiative, but an integral part of how we make decisions, strengthen our operations, and create long-term value.

At Zydus Wellness, we remain committed to building a business that is resilient, responsible, and future-ready. During FY 2025–26, we continued to strengthen the integration of sustainability into our strategy, operations, supply chain, and governance framework. We are pleased to share our progress and priorities through our ESG Databook for the year.

Advancing Environmental Stewardship

Our environmental agenda continues to focus on reducing our carbon footprint, improving energy and resource efficiency, strengthening

circularity, and building resilience to climate-related risks.

We embed environmental considerations at the very design stage, with R&D actively driving innovations such as lightweight packaging, reduced plastic use, and more sustainable material choices across new product development.

During the year, we continued to advance our transition towards cleaner energy. The 2 MW Solar power project at Aligarh under a Power Purchase Agreement is operational, while the 1.5 MW Solar power project at Ahmedabad is nearing completion, further strengthening our renewable energy portfolio.

We have strengthened our Scope 3 greenhouse gas emissions accounting by expanding our inventory from five to seven categories, including “Purchased Goods & Services” and “Business Travel”. This expanded boundary provides a more comprehensive view of our value-chain emissions, ensuring that key emission hotspots are captured and enabling us

to identify focused opportunities for reduction.

Strengthening transparency and stakeholder confidence, our sustainability disclosures are supported by external assurance, including 'Reasonable Assurance' of BRSR Core disclosures and 'Limited Assurance' of Scope 3 emissions.

Our climate ambitions continue to be guided by science and long-term resilience. We have committed our Scope 1 and Scope 2 emission reduction targets to the Science Based Targets initiative (SBTi) and aspire to achieve carbon-neutral operations by 2040.

Empowering People & Communities

Our purpose of bringing Wellness to Life extends beyond our products to the well-being, development, and prosperity of our people and communities. We continue to strengthen a safe, inclusive, and future-ready workforce through focused capability building, skill development, and digital readiness. Through our EHS frameworks- Zysafe and SanKalp, we remain committed to embedding safety into everyday operations and fostering a culture of care, ownership, and continuous improvement.

Through our community initiatives, including

Doodh-Shakti, we continue to support dairy farmers through knowledge and capability building in animal husbandry, nutrition, milk handling, and productivity. These efforts contribute to stronger livelihoods while supporting the quality and sustainability of the dairy value chain.

We also remain committed to fostering diversity and inclusion and creating an environment where every individual has the opportunity to learn, contribute, and grow.

Strengthening Governance & Trust

Strong governance is fundamental to our approach to sustainability. Our ESG & CSR Committee, chaired by our Chairman, Dr. Sharvil Patel, provides oversight on our ESG priorities and progress, with regular reporting to the Board of Directors.

We continue to strengthen ESG accountability by integrating sustainability objectives into leadership performance metrics, supported by robust policies, materiality assessments, supplier engagement, and enhanced assurance mechanisms. Our S&P Global CSA score improved to 84 in 2025, placing Zydus Wellness in the top 10% of companies in the Food Products industry and at the 99th percentile.

These achievements reflect our continued focus on strong governance, transparent reporting, and stakeholder trust.

Shaping a Sustainable Future

As we look to the future, our ambition is to deepen the integration of sustainability into every aspect of our business. We will continue to focus on decarbonisation, renewable energy, resource efficiency, circularity, responsible sourcing, employee development, safety, and strong governance.

Our long-term aspiration is clear: to create sustainable value while bringing Wellness to Life through Nourish, Nurture, and Energize.

The journey ahead will require collective action, innovation, and continued commitment. We are grateful to our employees, partners, suppliers, communities, investors, and other stakeholders for their trust and support. Together, we will continue to build a more resilient, responsible, and sustainable Zydus Wellness.

Thank you.

Tarun Arora
CEO & Whole Time Director
Zydus Wellness Limited

Message from our ESG Head



Sustainability is no longer simply about doing the right things for the environment and society. It is about building a business that is resilient, responsible and prepared for the future. At Zydus Wellness, we are steadily embedding this perspective into the way we operate, make decisions and create value.

Over the past year, we have continued to strengthen our ESG journey, translating our commitments into measurable actions across climate, energy, emissions, resource

efficiency, people and responsible business practices. Each step reflects our endeavour to make sustainability more integrated into our operations and more meaningful to the stakeholders we serve.

As we move forward, our focus remains on turning ambition into action, strengthening accountability and creating lasting value for our people, our communities and the environment.

Advancing Towards Carbon-Neutral Operations:

Zydus Wellness aspires to achieve carbon-neutral operations by 2040 and is taking focused steps to reduce emissions and improve energy efficiency. Our approach integrates robust Scope 1, Scope 2 and Scope 3 emissions accounting with targeted mitigation measures, supporting a progressive transition towards a low-carbon and climate-resilient operating model. We have also formally committed our Scope 1 and Scope 2 emission-reduction targets to the Science Based Targets initiative (SBTi), reinforcing our alignment with climate science and supporting

our transition towards a low-carbon, climate-resilient operating model.

TCFD-Aligned Climate Strategy:

Building on our TCFD-aligned climate risk assessment, we deepened our understanding of potential climate-related risks and opportunities through detailed scenario analysis. The insights gained have been translated into focused mitigation and adaptation measures, strengthening the resilience of our operations and supporting more informed, long-term climate action.

Responsible Energy Use and Emissions Management:

Zydus Wellness remains committed to responsible energy use and emissions management across its operations. During the year, 71% of total energy consumption was sourced from renewable and bio-based energy, including solar, wind, biomass briquettes and husk, reflecting our continued transition towards cleaner energy and a lower environmental footprint.

Strengthening Scope 3 Emissions Accounting:

We further strengthened our Scope 3 greenhouse gas inventory by expanding coverage from five to seven categories, incorporating 'Purchased Goods & Services' and 'Business Travel'. This expanded boundary provides a more complete understanding of our indirect emissions footprint and strengthens our ability to identify meaningful emission-reduction opportunities across our value chain.

Green Fuel for Lower-Carbon Manufacturing:

Green fuels continue to play an important role in our transition towards a lower-carbon manufacturing footprint. During the year, green fuel contributed 85.4% of energy consumption in our manufacturing operations. This reinforces our continued focus on cleaner energy, improved efficiency and a lower-carbon manufacturing footprint.

Renewable Energy Transition:

Our renewable energy transition continued through investments and long-term arrangements for clean power. The 2 MW

solar power project at Aligarh under a Power Purchase Agreement (PPA) is operational, while the 1.5 MW solar power project at Ahmedabad is nearing completion. These initiatives will further strengthen the contribution of renewable electricity to our manufacturing operations and support our long-term climate ambitions.

Our ESG framework remains anchored on four pillars: People & Communities, Governance, Environmental Stewardship, and Sustainable Growth. These pillars guide our efforts to integrate sustainability into our operations and strategic decisions while creating shared value across our business and supply chain.

This report reflects our journey so far, the progress we are building on, and the commitments guiding our next phase of action. As we work towards our ambition of carbon-neutral operations by 2040, continued collaboration, innovation and disciplined execution across our operations and value chain will remain essential. We look ahead with a clear focus on responsible growth, greater resilience

and creating lasting value for our people, our planet and future generations.

Ravindra Kumar Singh

Head- ESG

Zydus Wellness Limited

Message from the Chief Financial Officer



At Zydus Wellness, we believe sustainable success is measured not only by financial performance, but also by the positive impact we create for society and the environment. Sustainability is embedded within our business strategy and guided by our purpose of improving everyday wellness while remaining focus on conserving the resources, uplifting the standards of the people and communities that support our growth.

Strong Governance Culture remains the foundation of our ESG journey. We continue to strengthen Board and management oversight, accountability, internal controls, data governance and transparent decision-making to ensure that Governance remains integrated into our business processes. Our robust Business Code of Conduct, supported by strong ethics, compliance and responsible business practices, reinforces a culture of integrity, accountability and transparency across the organization.

We view ESG as an important component of long-term financial and strategic value creation. Environmental, social and governance considerations increasingly influence the operational efficiency, business risks, capital allocation, investment decisions, regulatory compliance and stakeholder trust. We therefore continue to integrate ESG considerations into financial planning, performance management, capital allocation and business decision-making, with a focus on balancing near-term priorities with long-term resilience and sustainable value creation.

IT, digitalisation and cybersecurity are also integral to a resilient and responsible organization. We continue to strengthen information security, data protection, access controls, cybersecurity capabilities and business continuity to safeguard critical information, systems and stakeholder trust, while leveraging digital technologies to enhance efficiency and data-driven decision-making.

Mr. Umesh Parikh
Chief Financial Officer
Zydus Wellness Limited

Economic & Governance

Sustainability Taxonomies

In India there is no sustainability taxonomies defined. However, for financial year 2025-26 we had followed the Indian Accounting Standards (IND AS) as notified by the Government of India. The Securities and Exchange Board of India has prescribed a framework for companies to disclose their sustainability performance i.e., Environment, Safety, Revenue, etc. in Business Responsibility and Sustainability Report ("BRSR") effective from financial year 2025-26.

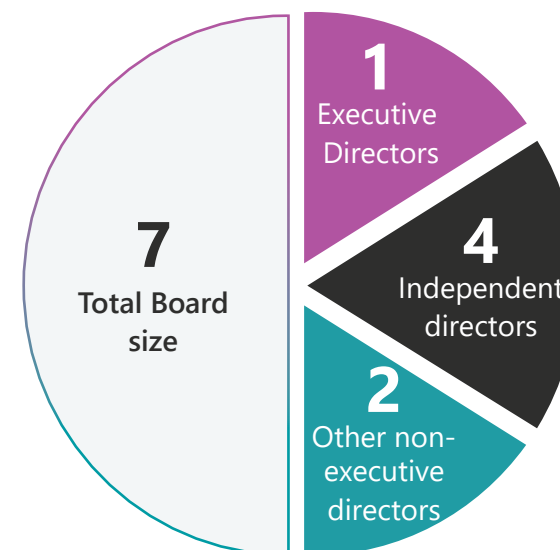
Zydus Wellness has also published its sustainability disclosures as a part of the Integrated Annual Report for the financial year 2025-26 which is available on the following link

<https://zyduswellness.com/wp-content/uploads/2026/08/IntegratedAnnual-Report-FY-2025-26.pdf>

refer page number 181 to 221 – BRSR.

The Company has also obtained Independent Reasonable Assurance on BRSR Core parameters. The Reasonable Assurance Statement is available on the following link refer page number 218 to 221.

Board of Directors: One-Tier system



Non-Executive Chairperson/ Lead Director

Particulars	Indicators/Measures
CEO and Chairperson	Role of CEO and Chairperson is split, and Chairperson is a Non-Executive Director.
Board Independence Statement	Definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (LODR) Regulations, 2015. The Independent Directors provide annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Directors and on evaluation of the relationships disclosed the Board of Directors takes on record, after undertaking due assessment of the veracity of the same.
Board Independence Target Share	Minimum 50% Independent Directors on the Board
Board Gender Diversity	Woman director: Ms. Dharmishtaben N. Raval Board Diversity Policy: https://zyduswellness.com/wp-content/uploads/2026/05/board-diversity-policy-feb-23.pdf
Average tenure of Board members	10.6 years



Board Independence criteria

Name of the Independent Directors:

Ms. Dharmishtaben N. Raval

Mr. Srivishnu R. Nandyala

Mr. Kulin S. Lalbhai

Mr. Akhil A. Monappa

No.	Topic	Board Independence Criteria	A	B	C	D
1.	Past employment with the Company	The Director has not been employed by the Company in an executive capacity within the last five years.	✓	✓	✓	✓
2.	Family Member	The Director is not a "Family Member of an individual who is, or during the past three years was employed by the Company or by any parent or subsidiary of the Company as an executive officer.	✓	✓	✓	✓
3.	Consultant or Advisor	The Director is not an adviser or consultant to the Company or a member of the Company's senior management.	✓	✓	✓	✓
4.	Customer or Supplier	The Director is not affiliated with a significant customer or supplier of the Company.	✓	✓	✓	✓
5.	Personal Service Contract	The Director does not have personal services contract(s) with the Company or a member of the Company's senior management.	✓	✓	✓	✓
6.	Not-for-Profit Entity	The director is not affiliated with a not-for-profit entity that receives significant contributions from the Company.	✓	✓	✓	✓
7.	Auditor – Partner or an Employee	The Director is not a partner or employee of the Company's statutory auditor during the past three years	✓	✓	✓	✓
8.	Business Relationship – Payment from Company	The Director does not accept or have a Family Member who accepts any payments from the Company or any parent or subsidiary of the Company	✓	✓	✓	✓
9.	Any other conflict of interest	The Director does not have any other conflict of interest that the Board itself determines to mean they cannot be considered independent.	✓	✓	✓	✓

Board Accountability

Accountability Measure	Description
Average board meeting attendance is above 75%	All directors endeavor to attend at least 75% of Board meetings in a financial year. Our Board attendance for FY25-26: 83.3%
Shareholder approval required for changes in bylaw	Approval of shareholders is required for amendment in memorandum and articles of association.

Company has board members with 4 or less other mandates	Number of non-executive / independent directors with 4 or less other mandates: 6 • Mr. Srivishnu R. Nandyala • Ms. Dharmishtaben N. Raval • Mr. Kulin S. Lalbhai • Mr. Akhil A. Monappa • Dr. Sharvil P. Patel • Mr. Ganesh N. Nayak Number of other mandates for non-executive/ independent directors restricted to 9.
CEO succession plan is in place	A structured CEO succession plan is in place to ensure leadership continuity and business stability.
Board performance reviews are in place	During the year, the Nomination and Remuneration Committee ("NRC") / Board have carried out evaluation of its own performance and the performance of the committees of the Board, Independent Directors, Directors, and the Chairman of the Board. The Board has evaluated the composition of the Board, its committees, experience and expertise, performance of specific duties and obligations, governance matters, etc. with an aim to improve their effectiveness.
There is no limitation to directors' liabilities	The Company has a Directors' and Officers' Liability Policy in place, providing coverage against liabilities arising in the course of their duties, in line with regulatory provisions.
Board members are elected on an annual basis	Board Members are re-elected on an annual basis by rotation, except Independent Directors and Nominee Director. Board Election Process: The Company, being listed on the stock exchanges, is bound to follow the regulations stipulated under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. As per Section 149(11) of the Companies Act, 2013, "No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director: Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly." Therefore, all the Independent Directors are appointed for a fixed term as per the prevailing regulations. Board members are elected individually (as opposed to elect by slate).

Board Skill Matrix

Sr. No.	Skills	Dr. Sharvil P. Patel	Ms. Dharmishtaben N. Raval	*Mr. Apurva S. Diwanji	Mr. Srivishnu R. Nandyala	Mr. Akhil A. Monappa	Mr. Kulin S. Lalbhai	Mr. Ganesh C. Nayak	Mr. Tarun Arora
1	Consumer Business	✓	X	X	✓	X	✓	✓	✓
2	Information Technology / Cybersecurity	X	X	X	✓	✓	X	X	✓
3	Sustainability	✓	✓	X	X	X	X	X	✓
4	Marketing	✓	X	X	✓	✓	✓	✓	✓
5	Finance	X	✓	X	✓	✓	X	X	✓
6	Business Management	✓	X	X	✓	✓	✓	✓	✓
7	Human Resource	X	X	X	✓	X	X	X	✓
8	Manufacturing	✓	X	X	X	X	✓	✓	✓
9	Law	X	✓	✓	X	X	X	X	✓

Number of independent or non-executive members with industry experience **4**

Please list the independent or non-executive directors included in the above count **6**

*Mr. Apurva S. Diwanji was appointed as an Additional Director (Independent) with effect from May 18, 2026, subject to approval of shareholders by way of a special resolution at the ensuing AGM scheduled to be held on August 4, 2026.

CEO Compensation – Success Metrics

Financial returns are publicly disclosed in the Integrated Annual Report 2024–25, including key ratios such as

- Return on Equity (PAT / (Equity + Reserves),
- Return on Assets: (PAT/Total Assets) and
- Return on Invested Capital: (PAT + Interest Cost) / Capital Employed).

The CEO's variable compensation is directly linked to financial, strategic, and operational objectives, ensuring alignment with sustainable growth, shareholder value, and market competitiveness. KPIs focus on topline growth (40%), bottom-line performance (40%), and Zydus Group performance (20%), with defined thresholds for payouts and upside for overachievement. The pay structure is transparent, process-driven, and disclosed in line with regulatory requirements.

Board Age Diversity

54.29 years

Average Age

14.2%

Age Diversity: 31-40 years

28.6%

Age Diversity: 41-50 years

28.6%

Age Diversity: 51-60 years

28.6%

Age Diversity: 61-70 years



Management Ownership

Position	Name(s)	Multiple of base salary
Chief Executive Officer	Mr. Tarun Arora	0.15
Average across other executive committee members owning shares	Mr. Umesh Parikh, Mr. Manish Joshi and Mr. Himanshu Pandey	0.34

Note: In view of the stringent Insider Trading Regulations applicable to the Company, a conscious decision has been taken not to prescribe management ownership requirements. Further, since the Company does not issue Employee Stock Options (ESOPs), management ownership remains lower than it may otherwise be in companies that offer ESOPs.

CEO-to-Employee Pay Ratio

(In INR rupees)

Total CEO Compensation (Includes fixed and variable compensation as well as all other parts of compensation which are required to be included in total remuneration reporting according to national accounting standards)	94,170,000
Median annual employee compensation (Except CEO)	43,69,838
Ratio of CEO to the median remuneration of the employee	21.55

Government Ownership

No governmental institution owns more than 5% of the total voting rights of the Company. Refer shareholding pattern of the Company as on March 31, 2026 Integrated Annual Report on page no. 172 at

<https://zyduswellness.com/wp-content/uploads/2026/08/IntegratedAnnual-Report-FY-2025-26.pdf>

Family Ownership

Founding individuals / family members owns more than 5% of total voting rights of the Company as on March 31, 2026, as under:

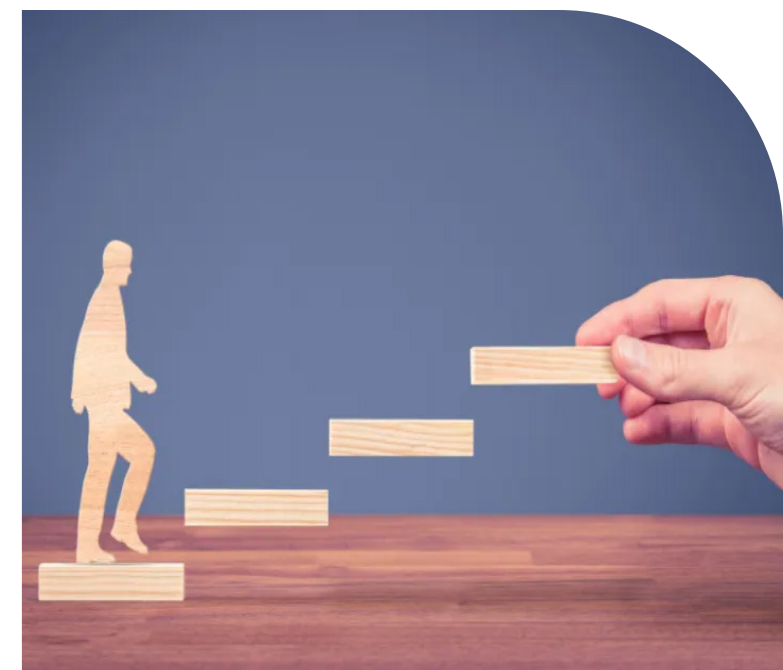
Shareholders	No. of shares held	% Of shareholding
Zydus Lifesciences Limited	3,66,47,509	57.59%
Zydus Family Trust	7,645,159	12.01%
Pripan Investment Private Limited	640	0.00%
Mr. Pankajbhai Ramanbhai Patel	1,599	0.00%
Pankajbhai Ramanbhai Patel (Hindi Undivided Family)	1,066	0.00%
Mrs. Pritiben Pankajbhai Patel	533	0.00%
Dr. Sharvil Pankajbhai Patel	533	0.00%
Mrs. Shivani Pankajbhai Patel	533	0.00%
Pankaj Ramanbhai Patel (Taraben Patel Family will Trust)	533	0.00%
Mrs. Jasodaben Babubhai Patel	7,450	0.01%
Mrs. Arati Rajiv Mehta jointly with Mr. Rajiv Vastupal Mehta	2,746	0.00%
Mrs. Ritaben Yatinbhai Desai	1,200	0.00%
Ms. Ayushi Rajiv Mehta jointly with Mrs. Arati Rajiv Mehta	640	0.00%

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

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

For more details refer page no. 256 of the Integrated Annual Report at <https://zyduswellness.com/wp-content/uploads/2026/08/IntegratedAnnual-Report-FY-2025-26.pdf>

ESG Governance Oversight



Materiality Analysis

Last materiality analysis conducted/ reviewed in	FY 2025-26
Frequency of conducting materiality assessment	Once every 2 years
Involvement of external stakeholders in identifying material issues	✓
Materiality assessment integrated in company's ERM process	✓
Material Issues are prioritized in a materiality matrix	✓
Assessment conducted is based on the principle of double materiality or considers internal impact on the business as well as external impact on society and the environment	✓
Materiality assessment process verified by a third-party assurance provider	✓
Materiality assessment results signed off by BoD and Senior Management	BoD

For more details refer company's Integrated Annual Report FY 2025-26, Page 38-39 at

<https://zyduswellness.com/wp-content/uploads/2026/08/IntegratedAnnual-Report-FY-2025-26.pdf>



Material Issues for Enterprise Value Creation

Particular	Material Issue 1	Material Issue 2	Material Issue 3
Material Risk or Opportunity - material risk or opportunity impacting our business	Climate Change Management – Energy and Emissions	Waste Management	Water Stewardship and Management
Business Case - rationale for why this issue is material to our business	Effective energy and emissions management is a key business priority for Zydus Wellness, contributing to operational excellence, cost optimization, and long-term value creation. Investments in energy-efficient technologies and renewable energy solutions can reduce operating costs, improve resource efficiency, and enhance overall business performance. In an evolving regulatory and market environment, addressing energy use and emissions helps strengthen compliance, mitigate risks, and meet growing stakeholder expectations. It also positions Zydus Wellness to capitalize on emerging sustainability opportunities while contributing to broader climate and sustainability goals. As climate-related risks and	In the food and wellness industry, packaging plays a vital role in safeguarding product quality, safety, and integrity. At the same time, the widespread use of plastic packaging presents significant environmental concerns, including pollution, resource depletion, and adverse impacts on ecosystems. As consumer awareness grows and regulatory expectations evolve, sustainable packaging has emerged as both a strategic business imperative and a key area of opportunity. By focusing on plastic reduction, enhanced recyclability, and the adoption of sustainable packaging alternatives, Zydus Wellness aims to reduce environmental impact while addressing regulatory and reputational risks. These efforts also foster innovation in packaging design	Zydus Wellness recognizes water stewardship as a critical sustainability priority, particularly in the context of increasing water stress and scarcity across several operating geographies. Water scarcity can disrupt business operations, increase regulatory exposure, and impact long-term resource availability. At the same time, responsible water stewardship serves as an important trust signal for consumers, investors, regulators, and other stakeholders, reinforcing the Company's commitment to sustainable and responsible business practices. Key Initiatives Implementation of water-efficient technologies and process optimisation initiatives to reduce freshwater consumption across manufacturing facilities.

stakeholder expectations continue to evolve, integrating climate change considerations into business operations is increasingly important. Reducing energy consumption and emissions not only supports decarbonization efforts but also enhances resilience to climate-related disruptions, regulatory changes, and emerging market demands.

and materials, improve resource efficiency, generate long-term cost benefits, and strengthen operational resilience.

Our approach is guided by the belief that sustainability extends beyond compliance and serves as a catalyst for long-term value creation. Through continuous research, innovation, and collaboration with stakeholders, we are developing packaging solutions that effectively balance environmental responsibility with product performance, quality, and consumer expectations.

Key Initiatives

- Achieved a waste recovery rate of 97% across manufacturing facilities in FY 2025-26, diverting 2,667 of 2,741 metric tonnes of total waste generated away from disposal through recycling. Zero waste was directed into landfills or incinerated.
- Reduced hazardous waste generation by 34.8% year-on-year and plastic waste by 14.6%, reflecting improvements in process efficiency and

- Enterprise-wide water risk management practices to identify, assess, and mitigate water-related operational risks.
- Expansion of water recycling and reuse initiatives to reduce dependence on freshwater resources and improve resource circularity.
- Deployment of advanced wastewater treatment systems and progress towards Zero Liquid Discharge (ZLD) at applicable sites.
- Continuous monitoring of water consumption and performance to identify conservation opportunities and improve water-use efficiency.
- Integration of water stewardship considerations into manufacturing excellence programmes, capital investments, and sustainability initiatives.
- Employee awareness and engagement programmes to promote responsible water use and conservation practices.

Effective water stewardship provides several business benefits, including improved operational resilience, enhanced regulatory compliance, and reduced long-term water procurement

		packaging sustainability across Aligarh, Ahmedabad and Sikkim operations	risks. While investments in water treatment, recycling infrastructure, and ongoing operations and maintenance may increase upfront costs, these initiatives help strengthen business continuity, resource security, and sustainability performance over the long term. Through these efforts, Zydus Wellness aims to build water-resilient operations, minimise environmental impact, and support sustainable growth while contributing to the conservation and responsible management of shared water resources.
Business Impact	Risk & Opportunity	Risk & Opportunity	Risk & Opportunity
Business strategies - our primary business strategies, initiatives or products that address this issue:	At Zydus Wellness, Energy & Emissions is both a risk and an opportunity, presenting challenges such as rising energy costs, climate-related risks, and evolving regulatory requirements, while also creating opportunities to improve operational efficiency, reduce costs, and strengthen competitiveness through sustainable practices. To address these risks and create long-term value, the Company has established ambitious 2030 goals (FY	Zydus Wellness addresses waste management through a structured strategy focused on waste minimisation, resource recovery, circularity, and regulatory compliance across its operations. The Company systematically tracks and segregates waste streams, conducts periodic waste audits, and partners with authorised recyclers to ensure responsible handling and disposal of both hazardous and non-hazardous waste.	Water Stewardship and Management Water management is a key pillar of Zydus Wellness's sustainability strategy, supporting operational resilience, resource security, and long-term business continuity. Recognising water scarcity as a material business risk, particularly in water-stressed geographies, the Company is committed to reducing freshwater intensity by 25% by 2030 against the FY 2021-22 baseline through process optimisation, water efficiency

2021-22 baseline), including:

- 50% reduction in Scope 1 and Scope 2 GHG emissions from direct operations.
- 50% improvement in energy efficiency through process optimisation and operational excellence.
- 50% renewable energy share in total energy consumption.
- Commitment towards Science Based Targets initiative (SBTi) for Scope 1 and Scope 2 emissions reduction.

Key Initiatives

- Adoption of advanced technologies, process optimisation, and energy-efficient equipment to improve energy performance across manufacturing facilities.
- Optimisation of diesel generator operations and reduction of diesel consumption through alternative energy sources, resulting in lower fuel use and associated emissions.
- Implementation of multiple energy-saving projects, delivering measurable annual energy

Key initiatives include reducing waste generation at source through process optimisation, improving waste classification and segregation practices, and maximising material recovery through recycling and co-processing. In FY 2025-26, the Company achieved a 97% waste recovery rate, ensured zero waste was sent to landfill or incineration, and reduced both hazardous and plastic waste generation through operational efficiency and packaging sustainability initiatives.

To support its circular economy objectives, Zydus Wellness continues to advance its recyclable packaging roadmap, investing in sustainability-led packaging innovation and improving the recyclability of packaging materials. The Company also achieved 100% compliance with Extended Producer Responsibility (EPR) requirements, reinforcing its commitment to responsible post-consumer waste management and environmental stewardship.

These initiatives contribute to the Company's long-term goal of achieving zero waste to landfill by

improvements, recycling initiatives, and deployment of advanced water treatment technologies.

Key Initiatives:

- Comprehensive Water Risk Management: The Company conducts site-level water risk assessments using globally recognised tools such as the World Resources Institute (WRI) Aqueduct framework to identify and manage water-related risks. Based on these assessments, targeted interventions have been implemented, including increased reliance on surface water sources such as the Narmada River at Ahmedabad and impact assessments to support responsible groundwater management at Aligarh.
- Zero Liquid Discharge (ZLD): Zydus Wellness has achieved 100% Zero Liquid Discharge across all manufacturing sites, enabling maximum recovery and reuse of treated wastewater while minimising environmental impact.
- Water Recycling and Reuse: The Company promotes circular water management by reusing

- savings through process and equipment upgrades.
- Scaling up renewable energy procurement, including solar power adoption at manufacturing facilities and procurement of renewable electricity to reduce reliance on conventional energy sources.
 - Process-level energy optimisation initiatives across utilities and production operations to enhance resource efficiency and lower carbon intensity.
 - Integration of climate and energy considerations into operational planning, capital allocation, and manufacturing excellence programmes to build long-term resilience.

The Company continuously monitors its performance against these commitments and has embedded energy and emissions management within its broader ESG strategy. Through investments in renewable energy, energy efficiency improvements, and low-carbon operations, Zydus Wellness is advancing its decarbonisation journey while supporting business

2030 while enhancing resource efficiency, reducing environmental impact, and creating sustainable value across the value chain.

- condensate generated from milk processing and steam systems for applications such as equipment washing, floor cleaning, and water treatment operations, thereby reducing freshwater demand.
- Rainwater Harvesting: Water conservation efforts include rainwater harvesting initiatives, such as the creation of a community-benefitting rainwater pond at the Aligarh facility, supporting groundwater recharge and local water availability.
 - Forestation and Green Infrastructure: Miyawaki forestation initiatives at Aligarh and tree plantation programmes across facilities contribute to biodiversity enhancement and local ecosystem restoration. Treated water from Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) is utilised for landscaping and toilet flushing, further improving water-use efficiency.

Through these initiatives, Zydus Wellness is strengthening operational resilience, enhancing compliance with evolving environmental expectations, reducing long-term water procurement

resilience, regulatory preparedness, and sustainable growth in a transition towards a low-carbon economy.

risks, and advancing responsible water stewardship. While investments in water treatment, recycling infrastructure, and ongoing operations and maintenance require upfront resources, these efforts contribute to sustainable growth, environmental protection, and long-term value creation for stakeholders.

Material Metrics for Enterprise Value Creation

Particular	Material Issue 1	Material Issue 2	Material Issue 3
Material Issue	Climate Change Management – Energy and Emissions	Waste Management	Water Stewardship and Management
Target/Metric	The Company has established ambitious goals for the year 2030 compared to the base line year CY 2022: - Reduction of GHG Emission in Direct Operations by 50% by 2030. - Energy Saving of 50% by 2030 through Process Optimization & Efficiency improvement. - Increasing the contribution of Renewable Energy to 50% of total requirement, by 2030.	Zydus Wellness (ZW) aims to transition to fully recyclable multi-layer plastic by 2027; a move from multi material packaging material (category 3) to multi-layer plastic material (category 2) to fully recyclable material by 2030. • ZW aims at saving 350 tons of packaging material annually, contributing to its goal of reducing 1,000 tons over the next three years. • All sites to achieve Zero Waste to Landfill status by 2030	25% reduction in water intensity by CY 2030 vs base CY 2022. • All sites to be Zero Liquid Discharge

		through the implementation of robust recycling practices and a structured approach to waste reduction. Zydus Wellness aims to continue collecting and process plastic that it sells. Projects for the same have been undertaken in Nycil bottles, Sugarfree powder concentrate bottle and cap, Complan Carton and Corrugated box.	
Target Year	2030	2030	2030
Progress	During the reporting period, total energy consumption increased by 5%, driven by a rise in operational activity. While non-renewable energy consumption increased by 18%, renewable energy consumption remained largely stable with a marginal increase of 0.3%. Correspondingly, total Scope 1 and Scope 2 greenhouse gas emissions increased by 11%, primarily due to a 36% rise in Scope 1 emissions, partially offset by a 9% reduction in Scope 2 emissions. Additionally, biogenic emissions decreased by 2%, reflecting continued efforts to improve emissions management and enhance the use of cleaner energy	Total waste generated increased by 60% during the reporting period, primarily due to portfolio expansion, the addition of new brands and SKUs, and higher packaging and production activity. As operations scaled, waste recycled increased by 66%, demonstrating the Company's continued focus on resource recovery and circularity. Waste disposed through other disposal operations (co-processing) decreased by 31.5%, while all Zydus Wellness operations remained zero waste to landfill. Although waste intensity per rupee of turnover increased by 9%, the Company continued to strengthen waste management practices through	Total water withdrawal increased by 4%, total water consumption increased by 5%, and total water discharge increased by 17% during the reporting period, reflecting higher operational activity and business growth. Despite the increase in absolute water use, Zydus Wellness improved its water-use efficiency, with water intensity per rupee of turnover reducing by 28%. This demonstrates the Company's continued focus on water conservation, operational efficiency, and responsible water management while supporting expanding business operations.

	sources. Despite an increase in overall energy consumption and emissions, Zydus Wellness improved operational efficiency during the reporting period. Energy intensity per rupee of turnover reduced by 28%, while total Scope 1 and Scope 2 emissions intensity per rupee of turnover decreased by 24%, reflecting enhanced resource efficiency, improved energy management practices, and decoupling of environmental impacts from business growth. These improvements underscore our strong progress in decarbonization, further validated through reasonable assurance by an external agency.	enhanced recycling and responsible waste handling across its operations.	
Executive Compensation	Energy Index & Steam Index forms a part of the Performance Mgmt. System (PMS) as a key KPI of the Senior Management and cascaded down to Site leadership and subsequently to Engineering Heads of all the factories. The weightages assigned varies from 05% in Senior Management's KPIs to 20% in Engineering Head's KPIs.	Reduction of Plastics Waste (Jar, Laminates, Polybags and Caps) forms a part of the Performance Mgmt. System (PMS) as a key KPI of the Site leadership and Production Heads of all factories. The weightages assigned varies from 05% in Site Leaderships' KPIs to 10% in Production Head's KPI.	Water Index forms a part of the Performance Mgmt. System (PMS) as a key KPI of the Senior Management and cascaded down to Site leadership and subsequently to Engineering Heads of all the factories. The weightages assigned varies from 05% in Senior Management's KPIs to 10% in Engineering Head's KPIs.

Material Issues for External Stakeholders

Particulars	Impact 1	Impact 2
Material Issue for External Stakeholders	Customer Relationship Management and Satisfaction	Water
Cause of the Impact	Business value chain: Operations, Products/Services, Supply chain Business activity coverage: 100% of business activity	Business value chain: Operations, Supply chain Business activity coverage: >50% of business activity
External stakeholder(s)/ impact area(s) evaluated	Society Consumers/end-users External employees	Environment Society External employees
Topic relevance on external stakeholders: Brief Rationale	In the highly competitive FMCG industry, maintaining strong customer relationships and delivering positive consumer experiences are essential for sustaining brand trust and loyalty. Effective customer engagement and grievance resolution mechanisms enable companies to respond promptly to consumer concerns, enhance satisfaction, and strengthen long-term relationships. Customer feedback also provides valuable insights for improving products, services, and overall consumer experience. As consumer interactions increasingly occur across digital and omnichannel platforms, organisations must establish robust systems to listen, engage, and respond effectively to customer needs. Transparent, accessible, and responsive customer service practices help safeguard brand reputation, meet evolving consumer expectations, and comply with regulatory requirements. By prioritising customer satisfaction and continuous improvement, FMCG companies can build consumer confidence, foster brand advocacy, and strengthen their competitive position in the marketplace. Type of impact: Positive	
	Water stewardship presents a significant opportunity for Zydus Wellness to strengthen operational resilience, enhance resource efficiency, and create long-term value for stakeholders. By adopting responsible water management practices, the Company can reduce dependency on freshwater resources, improve manufacturing efficiency, and support the sustainability of its dairy and agricultural value chains. Through comprehensive water risk assessments, conservation initiatives, and water reuse and recycling measures, Zydus Wellness is strengthening water security across its operations and supporting the well-being of communities in water-stressed regions. These efforts help safeguard business continuity, improve supply chain resilience, and contribute to the sustainable management of a critical natural resource, generating positive environmental and social outcomes alongside long-term business benefits. Type of impact: Positive	

Material Metrics for External Stakeholders

Particulars	Impact 1	Impact 2
Material Issue for External Stakeholders	Customer Relationship Management and Satisfaction	Water
Output Metric	Customer Complaints: i. CCPMP (Consumer Complaints Per Million Packs) ii. CSI (Customer Satisfaction Index): Leading Indicator	Water Index: i. Domestic water consumption (KL / Person), ii. Process water usage (KL / MT of Production)
Impact Valuation	Impact valuation conducted: Health Cost Caused/Avoided Description of the impact assessed: Effective Consumer Grievance Management minimizes health-related costs by swiftly addressing product quality issues, ensuring consumer safety, and building trust, thereby reducing the risk of litigation and healthcare claims. Zydus Wellness strengthened customer satisfaction and product quality performance during the year through a significant improvement in Consumer Complaints per Million Packs (CCPMP), which reduced from 3.01 to 2.15. The Company maintained a robust grievance management mechanism, ensuring resolution of critical consumer complaints within 48 hours. In addition, a Quality Index consistently above 95% reflected strong quality management practices across operations. All manufacturing sites remained FSSC 22000 certified, reinforcing adherence to global food safety standards. Further, focused Cp and Cpk improvement projects across the Fat Spread and Sugar Free product lines enhanced process capability, reliability, and consistency, contributing to superior product quality and an improved consumer experience.	Impact valuation conducted: Environmental value lost/gained Description of the impact assessed: Reducing water consumption minimizes environmental impact, lowers operational costs, and strengthens relationships with the local communities.
Impact Metric	Quantitative impact metric linked to material issue: Reduction in Customer Complaints	Quantitative impact metric linked to material issue: Reduction in Water Intensity/Index

Risk Governance

Particulars	Name and Position	Reporting Line
Operational Risk Ownership (first line) Front-line employees or dedicated operational roles (e.g., risk managers, business unit heads) own and manage risks.	Mr. Nandish P. Joshi, Company Secretary and Compliance Officer	CFO
Risk Management and Compliance Oversight (second line) A dedicated role(s) or committee(s) exist(s) at the senior management or executive level, which is responsible for setting control standards and oversees compliance with them (does not include the CEO).	Mr. Umesh V. Parikh, CFO and Head IT	Risk management Committee
Independent Audit Unit (third line) An internal audit function that provides independent assurance on the effectiveness of risk management and compliance processes.	Ernst and Young LLP, Internal Audit	Audit Committee
Members of the Risk Management Committee (Independent, Non-Executive Directors).	• Dr. Sharvil P. Patel, • Mr. Kulin S. Lalbhai • Mr. Akhil A. Monappa	
Training & Awareness	The Board of Directors are educated on risk management practices and the risks faced by the industry in general and the Company during the familiarization program on an annual basis. Further, detailed discussions and sessions are taken up during the Risk Management Committee meeting with a quarterly update to the Board.	

Risk Management Processes

Zyduz Wellness has risk management processes and strategies to promote an effective risk culture.

Particulars	Name and Position
Description of the company-specific risk exposure (considering likelihood and magnitude) of at least two identified risks	The Company maintains a structured Enterprise Risk Management (ERM) framework to identify, assess, monitor, and mitigate material business risks. Key risks are assigned to designated risk owners and are periodically reviewed along with associated mitigation measures. Identified material risks include: Exchange Rate Volatility Risk: The Company identified exposure arising from potential currency mismatches between acquisition financing and revenue streams, which could impact profitability, debt servicing obligations, and financial performance. To address the likelihood and financial impact of foreign exchange fluctuations, the Company continuously evaluates hedging strategies and financing structures. IT and Cybersecurity Risk: The Company recognizes cybersecurity threats, data breaches, infrastructure vulnerabilities, vendor-related risks, project failures, and regulatory non-compliance as material risks that could disrupt operations, compromise sensitive data, and affect business continuity. Marketplace Concentration Risk: Through its Comfort Click business, the Company identified revenue concentration on a single online marketplace platform (Amazon), creating exposure to platform dependency, listing suspensions, marketplace policy changes, and competitive pressures from private-label products.
Description of process or framework to determine the risk appetite for identified risks	The Company's ERM process incorporates risk identification, risk ownership, mitigation planning, periodic monitoring, and outcome assessment for key business risks. Risk appetite is evaluated through ongoing assessment of financial, operational, technological, and strategic risk exposures, considering potential business impact, likelihood of occurrence, regulatory implications, and business continuity requirements. Dedicated risk owners, including senior leadership members such as the CFO, IT Head, CEO, and COO of relevant business units, are accountable for monitoring risk indicators, reviewing exposure levels, implementing mitigation measures, and reporting progress. For technology-related risks, the Company has established a formal IT Risk Appetite Framework that defines risk tolerance levels across cybersecurity, data privacy, critical systems availability, regulatory compliance, third-party technology providers, and emerging technologies. Risks are assessed using a standardized impact-likelihood methodology, maintained in a centralized risk register, and escalated to Executive Management when they exceed approved thresholds. The framework is reviewed periodically to ensure continued alignment with business priorities, evolving risk landscapes, and regulatory requirements.

Description of mitigating actions for at least two identified risks	Exchange Rate Volatility Risk • Refinanced a low-cost GBP loan through a Euro-denominated facility, aligning debt obligations with underlying revenue streams. • Created a natural hedge by matching financing currency with approximately 70% of EUR-denominated sales. • Conducts regular evaluations of hedging policies and sensitivity analyses. • Continuously monitors cash flow positions to maintain liquidity and reduce financing risks. IT and Cybersecurity Risk • Conducts periodic Vulnerability Assessment and Penetration Testing (VAPT) for web applications. • Implements remediation and re-testing programs to address identified vulnerabilities. • Strengthens identity-based access controls and governance mechanisms. • Delivers periodic cybersecurity awareness training and phishing simulation campaigns for employees. • Establishes security reporting mechanisms and user security guidelines. Marketplace Concentration Risk • Expands presence across additional marketplace platforms and new geographies. • Increases direct-to-consumer and business-to-business sales channels. • Diversifies product portfolios through new launches and product upgrades. • Collaborates with marketplace partners to address listing and operational challenges. • Explores complementary brand launches and additional distribution partnerships
Risk Exposure At least twice a year or more frequently	Description The Company reviews enterprise risk exposure on an ongoing basis through its Enterprise Risk Management (ERM) framework. Material risks are assigned to designated risk owners who continuously monitor risk indicators, assess mitigation effectiveness, and evaluate emerging threats. Regular reviews are conducted for strategic, financial, operational, and technology-related risks, including foreign exchange volatility, cybersecurity, and marketplace concentration. Risk mitigation progress and outcomes are periodically assessed to ensure timely response and alignment with business objectives, resulting in risk exposure being reviewed more frequently than twice annually.
Risk Management Process Audit Yes, we have conducted an internal audit in the last two years	Description The Company integrates risk management oversight into its governance and control processes through periodic internal reviews of key enterprise risks, mitigation measures, and control effectiveness. Internal assessment activities evaluate the adequacy of risk identification, monitoring mechanisms, mitigation implementation, and accountability assigned to risk owners. Findings from these reviews support continuous improvement of the ERM framework and enhance organizational preparedness to manage financial, operational, strategic, and information technology risks.

Yes, we have conducted an external audit in the last two years	The Company utilizes independent reviews and external assessments of critical risk areas to strengthen its risk management framework. External evaluations provide assurance regarding the effectiveness of governance processes, risk controls, cybersecurity safeguards, compliance mechanisms, and mitigation actions. Recommendations arising from these assessments are incorporated into risk management practices to drive continuous enhancement of the Company's overall risk governance and resilience.
Risk Culture	Description
Regular risk management education for all non-executive directors	The Company promotes a strong risk culture through active Board and leadership oversight of enterprise risks. Non-executive directors are periodically apprised of material business risks, mitigation strategies, emerging risk trends, and risk management outcomes, enabling informed oversight and decision-making. This continuous engagement enhances risk awareness at the highest governance level and supports effective risk governance across the organization.
Focused training throughout the organization on risk management principles	The Company promotes a strong risk culture through periodic risk awareness and risk management discussions led by senior leadership and the Risk Management Committee. During regular risk review meetings, management presents key enterprise risks, including exchange rate volatility, tax and regulatory risks, information technology and cybersecurity risks, marketplace concentration, talent risks, and environmental and social risks. The Committee reviews risk exposures, mitigation plans, risk ownership, and monitoring mechanisms, while ensuring that necessary actions are implemented and regularly tracked. This continuous engagement strengthens risk awareness and embeds risk management principles across the organization. Regular Risk Management Education for Non-Executive Directors: The Company facilitates ongoing risk education and awareness for members of the Risk Management Committee and Board through structured risk review sessions. During these meetings, senior management provides detailed presentations on material enterprise risks, their potential impact, mitigation strategies, assigned risk owners, and progress against action plans. Committee members review and discuss risk exposure, emerging risks, and the effectiveness of mitigation measures, enabling informed oversight and strengthening governance of the Company's risk management framework.
Incorporation of risk criteria in the development of products and services	Risk considerations are embedded within strategic planning, business expansion, digital initiatives, and product portfolio decisions. The Company assesses potential operational, market, regulatory, cybersecurity, and financial risks associated with products, services, and growth opportunities. Through its ERM framework, identified risks are evaluated and mitigation measures are incorporated into business decision-making processes to support sustainable growth, resilience, and long-term value creation.
Financial incentives which incorporate risk management metrics	Performance-linked incentives are structured around meeting risk-related objectives, particularly in priority areas such as health & safety, compliance, and governance. By tying incentives to risk outcomes, the company reinforces accountability and ensures that risk-conscious behavior is embedded in day-to-day decision-making.

Emerging Risk

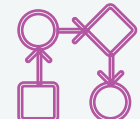
Particulars	Emerging Risk 1	Emerging Risk 2
Name of the risk	AI-driven Misinformation & Erosion of Consumer Trust	Nature Loss & Biodiversity Degradation in Agricultural Supply Chains
Category	Technological / Societal	Environmental
Description	Rapid growth of generative AI may increase the spread of misleading health information, manipulated product reviews, fake endorsements, and inaccurate nutrition claims. For a wellness-focused company like Zydus Wellness, this could create challenges in maintaining consumer trust in its products and science-backed brand positioning.	Accelerating biodiversity loss, soil degradation, declining pollinator populations, and ecosystem stress may impact the long-term availability and quality of agricultural commodities used in food and wellness products. As Zydus Wellness relies on agricultural inputs such as dairy, plant-based ingredients, oils and nutraceutical materials, ecosystem degradation could affect supply resilience.
Impact	- Reduced consumer confidence in key brands and wellness products. - Increased scrutiny of product efficacy, safety, and nutritional claims. - Higher expenditure on monitoring, brand protection, and corrective communication. - Potential disruption to digital marketing effectiveness and consumer engagement strategies. - Reputational risks arising from AI-generated misinformation.	- Reduced availability and quality of key agricultural raw materials. - Increased sourcing costs due to declining ecosystem productivity. - Greater supply volatility from biodiversity-related pressures. - Need to reformulate products or identify alternative ingredients. - Increased scrutiny from investors regarding nature-related impacts and dependencies.
Mitigation Actions	- Implement AI-enabled monitoring of digital platforms and social media. - Strengthen scientific substantiation and approval processes for health and nutrition claims. - Establish rapid-response mechanisms to counter misinformation. - Enhance consumer education and transparent product communication. - Train marketing teams on responsible AI usage and governance.	- Conduct nature-related risk assessments across sourcing regions. - Integrate biodiversity considerations into supplier evaluations. - Promote sustainable agriculture and regenerative farming practices. - Diversify sourcing geographies and supplier base. - Strengthen supplier engagement on soil and ecosystem stewardship.

Code of Conduct: Systems/ Procedures

Aspect	Please provide supporting evidence for the aspect and indicate page numbers
Responsibilities, accountabilities, and reporting lines are systemically defined in all divisions and group companies	https://zyduswellness.com/wp-content/uploads/2026/05/code-of-business-conduct-and-ethics-policy.pdf Page 1-6
Dedicated help desks, focal points, ombudsman, hotlines	https://zyduswellness.com/wp-content/uploads/2026/05/Whistle-Blower-Policy-02-08-24.pdf Page 4-5
Compliance linked to employee remuneration	It is essential that employees adhere to the company's code of conduct and ethical standards. Failure to comply with the code of conduct and ethical standards may result in consequences as determined by the company, which may include Forfeiture of variable payouts, disciplinary action, termination of employment (in serious situations) or any such action, which the management deems necessary. https://zyduswellness.com/wp-content/uploads/2026/05/code-of-business-conduct-and-ethics-policy.pdf
Employee performance appraisal systems integrate compliance/codes of conduct	Refer section Social of this report and below link https://zyduswellness.com/wp-content/uploads/2026/04/1.-PEAK.pdf
Disciplinary actions in case of breach, i.e. warning, dismissal, zero tolerance policy	https://zyduswellness.com/wp-content/uploads/2026/05/Whistle-Blower-Policy-02-08-24.pdf Pg 1-7

Grievance Redressal Mechanism

Stakeholder Group	Grievance Redressal Mechanism in place (Yes/ No) (If yes, then web-link for grievance redress policy)	FY 2025-26	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year
 Investors (Other than shareholders)	Yes. Investors can connect with us on 079-48040000 / 079-71800000 or send us an email at investorcommunication@zyduswellness.com	0	0
 Shareholders	Yes. For lodgment of any documents or any grievances / complaints, members may contact the Company or Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company at 079-48040000 / 079-71800000 or 079-2646 5179 / 86 / 87 or email at investor.grievance@zyduswellness.com or ahmedabad@in.mpms.mufig.com	6	0
 Employees and Workers	The company ensures that all the new joiners undergo induction training for the business code of conduct and align with the company's ethical standards. 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 https://zyduswellness.com/wp-content/uploads/2026/05/Whistle-Blower-Policy-02-08-24.pdf	0	0
 Communities	Yes, available in below policies https://zyduswellness.com/wp-content/uploads/2026/05/Human-Rights-Policy.pdf https://zyduswellness.com/wp-content/uploads/2026/05/public-policy.pdf	0	0

 Customers	The Company has a dedicated customer relationship cell to address customer related grievances. Customers can connect with us at 079-48040000 for feedback & queries or send us a mail at customercare@zyduswellness.com.	1,228	0
 Value Chain Partners	Yes. Vendor's grievances are addressed via email communication mentioned in respective agreements. Materials are supplied only after specifications are signed off with the vendor, and any non-conformance is assessed against these specifications. In the event of disagreement, meetings are convened to resolve issues against these specifications. Additionally, we have a policy in place which can be accessed at https://zyduswellness.com/wp-content/uploads/2026/05/code-of-conduct-for-vendors-feb-2025.pdf	0	0

Reporting on breaches

Reporting areas	Number of breaches in FY 2025-26	Reporting areas	FY 2025-26
Corruption or Bribery	0	The company reports the amount of fines related to corruption and bribery cases (In INR)	0
Discrimination or Harassment	0		
Customer Privacy Data	0		
Cybersecurity Breaches	0		
Total number of clients, customers and employees affected by the breaches	0	The company reports the amount of convictions related to corruption and bribery	0
Conflicts of Interest	0		
Money Laundering or Insider trading	0		

Refer our policies:

Anti-Bribery and Anti-Corruption Policy	https://zyduswellness.com/wp-content/uploads/2026/05/Anti-Bribery-and-Anti-Corruption-Policy.pdf
Non-Discrimination and Anti-Harassment Policy	https://zyduswellness.com/wp-content/uploads/2026/05/POSH-Policy-Latest-Rev.pdf

Contributions and Expenditure

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Lobbying, interest representation or similar	0	0	0	0
Local, regional or national political campaigns/ candidates/ organizations	0	0	0	0
Trade associations or tax-exempt groups	0	0	0	0
Other spending related to ballot measures or referendums	0	0	0	0
Total contributions and other spending	0	0	0	0
Coverage	100%	100%	100%	100%

Largest Contributions & Expenditures

The Company did not make any political contributions, nor did it incur any expenditure for political or related purposes during the reporting period.

Lobbying and Trade Associations - Climate Alignment

The Company did not make any contributions or incur any expenditures related to political campaigns, political parties, political organizations, lobbyists, lobbying organizations, trade associations for political purposes, or other tax-exempt groups during the reporting period. As the Company does not engage in lobbying activities and has not established a lobbying policy, the requirements relating to lobbying practices and expenditures are not applicable.



Supplier ESG program

Oversight of Supplier ESG programs Board of Directors	
Particulars	Description
Purchasing practices are reviewed to ensure alignment with Supplier Code of Conduct	ZyduS Wellness regularly reviews its procurement practices to ensure alignment with its Supplier Code of Conduct and broader ESG commitments. Through supplier audits, assessments, scorecards, and monitoring mechanisms, suppliers are evaluated on key ESG parameters including environmental performance, resource efficiency, labor practices, occupational health and safety, and ethical business conduct. This approach helps ensure that sourcing decisions remain consistent with the Company's sustainability objectives and minimizes potential conflicts with ESG requirements.
Suppliers are excluded from contracting if they cannot achieve minimum ESG requirements within a set timeframe	The Company requires suppliers to meet defined ESG requirements as part of its supplier evaluation process. Where gaps are identified, suppliers are provided with corrective action plans and reasonable timelines to implement improvements. Supplier performance is continuously monitored through assessments and audits, and preference is given to suppliers that demonstrate stronger ESG performance and compliance with the Company's sustainability expectations. Suppliers are expected to comply with ESG requirements such as EHS, waste management, and safety standards. Corrective action plans are provided where gaps exist, but suppliers failing to meet minimum ESG requirements within the set timeframe are excluded, ensuring only responsible suppliers remain in ZWL's value chain.
Suppliers with better ESG performance are preferred in supplier selection and contract awarding	ZyduS Wellness incorporates ESG considerations into supplier selection and contract award decisions. Suppliers demonstrating stronger ESG performance, including robust environmental management practices, responsible labor standards, occupational health and safety compliance, and ethical business conduct, are given preferential consideration. This approach supports the development of a sustainable and resilient supply chain while encouraging continuous ESG improvement across the supplier base.
Training for buyers/internal stakeholders on roles in supplier ESG programs	ZyduS Wellness provides training and capacity-building programs for procurement teams and relevant internal stakeholders to strengthen understanding of supplier ESG requirements and sustainable sourcing practices. These programs cover supplier evaluation processes, ESG monitoring and compliance expectations, supplier engagement, corrective action management, and continuous improvement methodologies, enabling employees to effectively integrate ESG considerations into procurement and supplier management activities.

Supplier Screening

Particulars	Indicators/ measures
Systematic supplier screening process	Zydus Wellness conducts a structured supplier screening and onboarding process to identify and evaluate significant suppliers based on ESG, quality, compliance, and business relevance criteria. As part of the onboarding process, prospective suppliers are required to complete a detailed assessment questionnaire and submit supporting documentation. The information is reviewed by internal teams to evaluate the supplier's management systems, ESG practices, certifications, regulatory compliance, operational capabilities, and risk profile. Based on the assessment outcomes, on-site audits may be conducted prior to approval. Audit observations and improvement requirements are subsequently communicated to suppliers, ensuring only suppliers that meet Zydus Wellness' requirements are approved and onboarded.
Aspects of Supplier screening	Environmental: Suppliers are evaluated on environmental management practices, pollution prevention measures, waste management programs, environmental policies, regulatory compliance, and applicable certifications and licenses, including pollution control approvals and waste management registrations. Social: Supplier assessments cover food safety, occupational health and safety, employee welfare, labor standards, and implementation of documented policies relating to quality, food safety, safety, and environmental management. Suppliers are also assessed for certifications such as FSSC 22000, ISO 22000, HACCP, cGMP, and other relevant management systems. Governance: Suppliers are screened for compliance with applicable laws and regulations, documented management systems, ethical business practices, operational controls, permits, licenses, and overall governance mechanisms that demonstrate accountability and responsible business conduct. Business Relevance: Suppliers are evaluated based on their operational capabilities, product quality, manufacturing controls, technical expertise, certifications, supply continuity, and ability to meet Zydus Wellness' quality, food safety, and business requirements.
Methodology for Supplier Screening	Our methodology extends beyond ESG risk assessments to incorporate risks specific to: Country-Specific Risk: Evaluating geopolitical stability, legal and regulatory environments, economic indicators, and social stability at the supplier's location, particularly emphasized for imported items. Sector-Specific Risk: Understanding industry-specific challenges and opportunities and assessing the supplier's preparedness to address them. Commodity-Specific Risk: Focusing on the raw materials and resources supplied, considering environmental, social, and ethical aspects tied to these commodities, such as deforestation.

Supplier Assessment and Development

Supplier Assessment:

Particulars	Indicators/ measures
Supplier desk assessments with systematic verification of evidence	In FY 2025-26, our procurement team conducted desk-based supplier assessments for 185 suppliers, using a structured ESG checklist, requiring documentary evidence for compliance. Evaluating them across critical ESG and quality criteria. These assessments covered key themes such as water and waste management, labor standards, health and safety, fair wages, business ethics, data privacy, and carbon emission management, etc. The audits also assessed suppliers' risk identification capabilities, compliance with environmental management systems, production facility standards, and training adequacy. Evidence is systematically verified against set criteria before suppliers are qualified.
Supplier on-site assessments carried out by purchasing company employees or contracted consultant (2nd party assessment)	During FY 2025-26, Zydus Wellness conducted on-site facility audits of 22 critical suppliers through a cross-functional team comprising Quality and ESG experts.
Supplier assessments (desk or on-site) are carried out using standards and methodologies of a recognized industry or multi-stakeholder initiative. Please provide name/description	Assessments follow industry-recognized frameworks such as EHS (Environment, Health & Safety) standards, ISO 14001 (Environmental Management), ISO 45001 (Occupational Health & Safety). In addition, Energy and Water Audits are carried out using established industry practices.

Supplier Development:

Particulars	Indicators/ measures
Supplier information/trainings on company's supplier ESG program, process and requirements	Suppliers are regularly trained through workshops, on-site training, and digital tools on Supplier ESG Program. Training covers compliance with EHS, quality KPIs, waste reduction, safe work practices, and sustainability requirements.
Supplier access to ESG benchmarks against peers	Suppliers are provided with performance feedback and comparative ESG benchmarks, enabling them to understand their position relative to peers and identify opportunities for improvement.
Supplier support (remote/on-site) on implementation of corrective/improvement actions	ZWL provides suppliers with hands-on technical support both remotely and on-site. This includes guidance on corrective actions from audits, problem-solving workshops, and tailored improvement plans to help suppliers close ESG performance gaps.
In-depth technical support programs to build capacity and ESG performance in suppliers	Through the Supplier Capacity Building Program, ZWL offers comprehensive support such as technology guidelines, process upgrades, IoT-based monitoring tools, and innovation partnerships. These in-depth interventions strengthen supplier capabilities, enhance ESG performance, and ensure long-term resilience.

KPIs for Supplier Assessment and Development

Supplier Assessment	FY 2025-26	Percentage
1.1 Total number of unique suppliers	385	
1.2 Number of unique significant suppliers	207	
1.3 Number of unique significant suppliers supported with development measures (as a subset of 1.2)	60	% of suppliers supported in development measures: 29%
1.4. Number of unique significant suppliers assessed via desk assessments/on-site assessments (as a subset of 1.2)	185	% of unique significant suppliers assessed: 89.4%
1.5. Number of unique significant suppliers assessed with substantial actual/potential negative impacts (as a subset of 1.4)	12	
1.6. Number of unique significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan (as a subset of 1.5)	12	% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan: 100%
1.7. Number of unique significant suppliers with substantial actual/potential negative impacts that were terminated (as a subset of 1.5)	0	



Effective tax rate

Link of detail document:

<https://zyduswellness.com/wp-content/uploads/2026/08/IntegratedAnnual-Report-FY-2025-26.pdf>

Particulars	FY 2024-25	FY 2025-26
Consolidated Earnings before Tax	₹3,58,80,00,000	₹2,30,50,00,000*
Reported Tax expenses	₹11,90,00,000	₹33,30,00,000
Cumulative acceptable adjustments on account of:		
• Effect of Non-taxable income		
• Utilization of previously unrecognized tax losses	0	0
• Effect of differences in tax rate in standalone and consolidated		
• Effect of other non-deductible expenses		
• Others		
Cash Taxes Paid (net of refunds)	₹ 2,90,00,000	₹ (29,90,00,000)
Reason	Tax Impact FY 2024-25	Tax Impact FY 2025-26
Group-wide net operating losses (in FY2025 or FY2026)	0	0
Non-recurring (one time) operating losses in own operations	0	0
Net operating losses from prior periods and/or acquired companies	0	0
Timing - net deferred tax assets/liabilities and major issues outside of the two-year period reported (including accounting adjustments for prior reporting periods due to major tax policy changes)	0	0



Tax reporting

Total Tax contribution



The entity in scope includes:

Parent Company:

Zydus Wellness Limited [India]

Subsidiary Companies:

Zydus Wellness Products Limited [India]

Liva Nutritions Limited [India]

Zydus Wellness International DMCC [Dubai]

Zydus Wellness (BD) Pvt Limited. [Bangladesh]

Naturell Inc [USA]

Alidac UK Limited [UK] **

Comfort Click Limited [UK] ***

Comfort Click Softech Private Limited [UK] ***

Comfort Click Limited [Ireland] ***

Comfort Click LLC [USA] ***

Notes:

** From the date of incorporation (i.e. August 5, 2025) to March 31, 2026

*** From the date of acquisition (i.e. August 29, 2025) to March 31, 2026

Pursuant to the voluntary liquidation process, as approved in extra ordinary general meeting of Naturell (India) Private Limited [NIPL] on July 1, 2025, the Liquidator of NIPL has distributed the Business Undertaking of NIPL on a going concern basis to Zydus Wellness Limited effective from September 20, 2025.

Primary activities

Headquartered in Ahmedabad and Mumbai, we have 4 manufacturing facilities across 4 locations - Aligarh, Ahmedabad and Sikkim. We also have 8 co-packing facilities in India, UAE and New Zealand. For more details refer - <https://zyduswellness.com/about-us/global-operations/>

Tax Jurisdiction	Nature of Activities in Country	Average No. of Full-Time Employees (FY 25–26)
India	Manufacturing and sale of FMCG products	1,658
Dubai	Trading, Manufacturing, and sale of FMCG products	6
Bangladesh	Trading of FMCG Products	5
UK	Trading and sale of FMCG products	16

Our tax contribution consists of

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

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

Country	Total Taxes borne (A)	Total Taxes Collected (B)	Total Taxes Contributed (A+B)
India	₹ 4,70,71,910	₹ 1,35,67,55,997	₹ 1,40,38,27,907
Bangladesh	₹ 15,68,958	₹ 59,58,994	₹ 75,27,952
*United Kingdom	₹ 25,15,03,326	₹ 29,80,98,697	₹ 25,15,03,326
Total	₹ 30,01,44,194	₹ 1,36,27,14,991	₹ 1,66,28,59,185

Notes:

- India includes the tax contribution of ZWL, ZWPL, NIPL and CCSPL.
- Bangladesh includes the tax contribution of Zydus Wellness (BD) Private Limited, converted from BDT to INR using the exchange rate as at 31 March 2025 (1 BDT = ₹0.7032).
- *United Kingdom includes the tax contribution and collected of CCL UK / Ireland, converted from GBP to INR using the exchange rate as at 29 August 2025 (1 GBP = ₹119.07016).
- *CCL UK data has been considered from the acquisition date of 29 August 2025.

For Financial Information

(₹ in Million)

Country of Incorporation	Name of the Entity	Turnover & other Income from operations	Profit / loss Before Taxation	Provision for Taxation	Profit/ (loss) after Taxation
India	Zydus Wellness Products Limited	26,162	(1,398)	1,589	191
India	Live Nutritions Limited	-	(0)	(0)	0
UAE	Zydus Wellness International DMCC	711	(113)	28	(85)
Bangladesh	Zydus Wellness (BD) Pvt Limited	81	(36)	(1)	(37)
USA	Naturell Inc	-	0	-	0
UK	Alidac UK Limited	-	(135)	-	(135)
UK	Comfort Click Limited	11,819	1,599	(221)	1,378
India	Comfort Click Softech Private Limited	272	74	(19)	55
Ireland	Comfort Click Limited Ireland	66	1	-	1
USA	Comfort Click LLC	-	(0)	-	(0)

For further details refer Integrated Annual Report at below link:

Pg no. 340

<https://zyduswellness.com/wp-content/uploads/2026/08/IntegratedAnnual-Report-FY-2025-26.pdf>

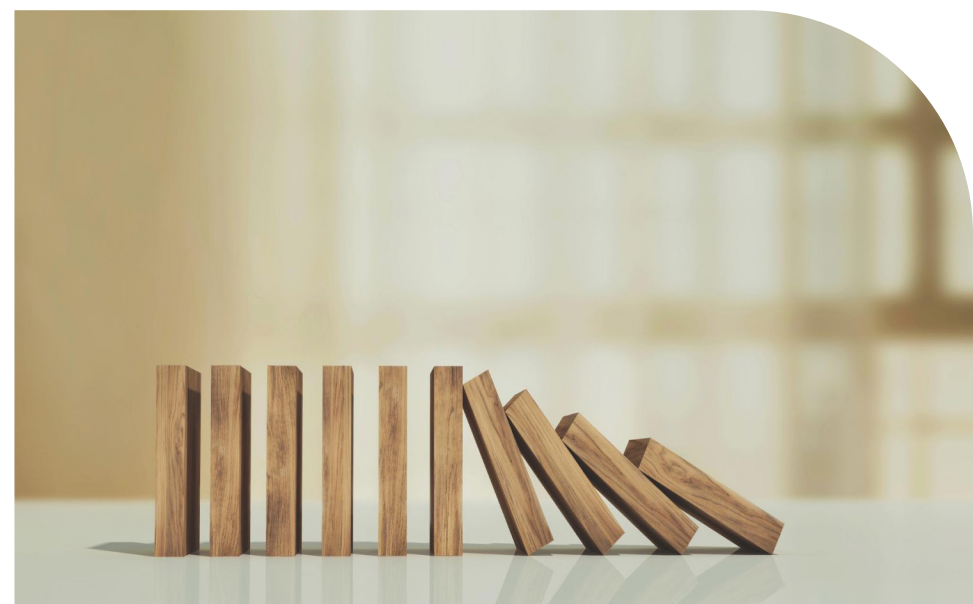
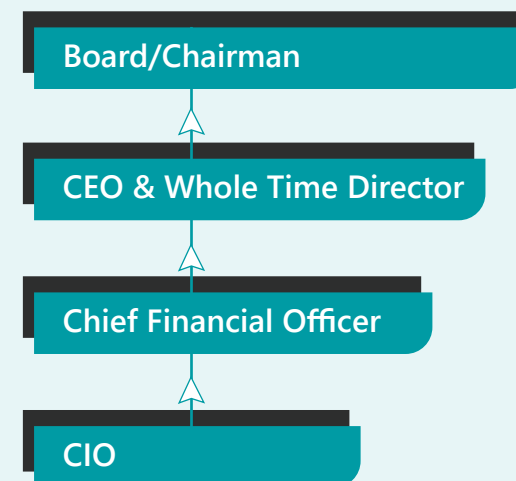


IT Security/ Cyber security Governance

Board Responsibility	Board committee which oversees cyber security strategy
Mr. Akhil Monappa, Independent Director Mr. Akhil Monappa is an Independent Director of our Company. He has a MBA and MPA-ID degree from Harvard University, Cambridge, USA and a bachelor's degree in science in Electrical Engineering from Georgia Tech, Atlanta, USA. Mr. Akhil Monappa has a background in technology both in Investing as well as Operating roles. Currently he is a Director of YAZZ Limited and Zydus Lifesciences Limited and active investor in public and private companies. Previously, he was a Partner in the Technology Group at Generation Investment Management in London, a sustainability focused fund where he invested in global tech companies and advised company boards and management on matters of strategy, capital allocation, and governance. Prior to that, he was at Atlas Venture in London where he invested in early-stage technology companies providing both board level and operational expertise. Early in his career, he was an operating executive at C-Bridge Internet Solutions in Cambridge, USA, where he was responsible for go to market partnerships with some of the world's leading technology companies as well as held various pre-sales and technical roles.	Risk committee

Executive Management Responsibility

Mr. Vineet Shrivastava - Chief Information Officer (CIO)
Relevant experience of 20+ years



Information Security Management Programs

Information security-related business continuity plans

The organization has a comprehensive Backup Plan and Disaster Recovery Plan (DRP) in place to ensure continuity of operations in case of disruptions. These plans are reviewed annually, monitored on a daily basis, and tested through restoration drills conducted twice a year. This systematic approach ensures preparedness for unforeseen incidents and minimizes potential downtime.

Information security vulnerability analysis

All IT systems are subjected to Vulnerability Assessment and Penetration Testing (VAPT) prior to deployment and at defined intervals thereafter. Critical systems undergo mandatory penetration testing, and detailed reports are reviewed by management. Identified vulnerabilities are tracked and mitigated through formal corrective action plans, ensuring proactive risk management.

Internal audits of IT infrastructure and/or security systems

Regular internal audits are conducted to

evaluate the robustness of IT controls and security infrastructure. These audits include IT General Controls (ITGC), IT Data Security Audits, and Infrastructure Security Reviews. Findings are documented, and remediation measures are implemented to enhance governance and compliance with internal and regulatory requirements.

Independent external audit of IT infrastructure/ security systems

Independent third-party firms are engaged to conduct SAP and IT compliance audits in alignment with global standards such as ISO 27001. These audits provide an objective evaluation of security posture, identify gaps, and benchmark practices against recognized industry standards, ensuring external validation of the company's information security framework.

Escalation process for employees to report incidents/vulnerabilities or suspicious activities

A structured escalation mechanism is in place, enabling employees to promptly report information security incidents, vulnerabilities, or suspicious activities. Reports are logged through the TechXpert System or communicated directly

to managers. This ensures timely investigation, escalation, and resolution of potential threats, strengthening overall cyber resilience.

Information security awareness training

Periodic cybersecurity awareness programs are conducted to educate employees on emerging threats, safe practices, and organizational policies. Training modules cover areas such as phishing identification, email security, and cyber threat management. These sessions enhance employee vigilance and build a strong culture of information security across the organization.

Disclosure of total number of breaches in last FY

During the last financial year, no major security breaches with operational impact were recorded. Proactive initiatives such as phishing awareness campaigns and continuous monitoring contributed significantly to maintaining a secure IT environment and preventing potential disruptions.

Responsible Artificial Intelligence Program

Zydus Wellness is committed to the responsible, ethical, secure and sustainable use of Artificial Intelligence. The Company's Responsible Artificial Intelligence Program provides a structured approach for managing the potential risks and impacts associated with AI systems used across its operations.

The Program includes the following measures:

- **Controlled access:** Access to sensitive AI capabilities, including facial recognition, biometric identification and surveillance technologies, is restricted to authorized personnel and subject to appropriate legal, risk and security reviews.
- **AI labelling and transparency:** Content materially generated or altered using AI is appropriately identified, where relevant. Stakeholders are informed when AI materially contributes to a decision or outcome affecting them.
- **Model monitoring:** Material AI systems are periodically monitored to identify model drift, performance degradation, inaccuracies or unintended outcomes. Appropriate corrective actions are taken, including

system modification, retraining, restriction, suspension or withdrawal.

- **Fairness and bias assessment:** Material AI systems are assessed before deployment and periodically thereafter for potential bias, unfair treatment and discriminatory outcomes. Identified concerns are documented and remediated.
- **Environmental responsibility:** The Company encourages the use of fit-for-purpose and resource-efficient AI models and engages relevant technology and cloud-service providers to reduce the energy, water and greenhouse-gas impacts associated with AI infrastructure and data centres.
- **Appeals and human review:** Appropriate channels are available for users and affected stakeholders to question or contest material AI-assisted decisions. Such cases are reviewed by authorized personnel who can reconsider, correct or override the outcome.
- **Sustainability impact measurement:** Where relevant and measurable, the Company assesses the positive and negative sustainability impacts of material

AI initiatives, including impacts on energy, water, greenhouse-gas emissions, resource efficiency, waste reduction, accessibility and stakeholder outcomes.

- **Employee training:** Relevant employees receive periodic training on the ethical and secure use of AI, including privacy, confidentiality, cybersecurity, fairness, human oversight, validation of AI-generated outputs and reporting of concerns.

Material AI systems are maintained within an AI inventory and are subject to proportionate risk assessment, defined ownership, human oversight and periodic monitoring.

Zydus Wellness periodically reviews the effectiveness and maturity of its AI governance framework and will evaluate independent external verification of its AI management system based on organizational readiness and applicability.

Zydus Wellness follows internationally recognized AI management system guidelines, including the principles of **ISO/IEC 42001**, to support the responsible use of AI.

Product Quality Programs

Processes to prevent or address non-conforming products before delivering them to customers to avoid product recalls

Robust processes are established to ensure defective products are identified, isolated, and addressed before reaching customers. This includes in-process quality checks at critical control points, comprehensive final product inspections, and systematic review against defined product specifications. Non-conforming materials are segregated and documented, with each defect undergoing root cause analysis. Corrective and preventive actions (CAPA) are implemented, and effectiveness is monitored prior to release. Only products that fully comply with food safety and quality standards are approved for dispatch, thereby safeguarding product integrity and customer trust.

Integration of emerging technologies to enhance product quality

The organization is progressively integrating emerging technologies across Quality and Manufacturing to transition conventional inspection-based quality control towards data-driven, predictive & preventive quality management. Advanced analytical technologies,

digital monitoring, automation & process analytics are being utilized to improve process capability, detect deviations at an early stage, enhance product consistency & food safety, reduce quality - related losses, rework & waste. Technology adoption is continuously evaluated based on quality risks, business requirements and opportunities for sustainable improvement.

Quantitative targets to improve product quality performance

Zydus Wellness has established a Quality Index as a key performance indicator to continuously improve overall quality performance. The Quality index comprises key parameters including Right First time, Customer Complaints, Material Compliance, Deviations, Regulatory Compliance & Hygiene. The target is to maintain Quality Index consistently above 95%, thereby ensuring sustained improvement in product quality, process performance, regulatory compliance & food safety standards.

Internal audits of the quality management system

Internal audits of the Quality Management System are conducted in accordance with the

FSSC 22000 standard at planned intervals as per the approved annual audit schedule. These audits are carried out by trained and certified internal auditors who are independent of the audited activities, ensuring objectivity and transparency. The audits evaluate compliance with FSSC requirements, regulatory obligations, and internal standard operating procedures. Audit findings are formally documented, corrective actions are assigned with clear accountability, and follow-up audits verify the effectiveness of remediation, thereby driving continual improvement of the system.

Independent external verification of the quality management system

The company's Quality Management System undergoes independent external verification against FSSC 22000:2018 (Version 6.0 – Food Safety System Certification). These audits are performed by accredited certification bodies, providing assurance that the organization consistently meets internationally recognized food safety standards. External certification not only validates the robustness of internal systems but also enhances stakeholder confidence in the company's commitment to food safety and quality.

Training for internal stakeholders on quality management

Capacity building of internal stakeholders is a critical component of the quality program. The designated Internal FSSC Leader, who is a certified Lead Auditor, has provided structured training to the internal team, enabling them to function effectively as internal auditors. Training sessions cover FSSC requirements, audit techniques, root cause analysis, and corrective action planning. This ensures that employees are empowered with the necessary skills to monitor compliance, identify risks, and contribute to continuous improvement of the Quality Management System.

Mechanisms for external stakeholders to submit complaints

A transparent and accessible mechanism is in place for external stakeholders to submit complaints regarding product quality or service. Complaints can be raised through multiple channels, including a dedicated customer service helpline, official email address, and the company's website feedback/contact form. All complaints are systematically logged into the Complaint Management System, acknowledged promptly, and investigated for root cause. Resolution timelines range from 24 hours to 3 days, depending on the complexity of the

issue. Corrective and preventive actions are implemented where necessary, and feedback is provided to the complainant, ensuring accountability, responsiveness, and customer satisfaction.

Requirements for supplier adherence to the company's product and service quality standards

The company has established a risk-based Supplier Quality Management System to ensure that suppliers consistently comply with defined product, service, regulatory, food safety & quality requirements. Supplier performance scorecards, non-conformance management CAPA, change control and periodic supplier re-evaluation. Supplier quality performance is monitored through defined KPIs, and improvement actions are initiated for underperforming suppliers.

Disclosure of product quality incidents description

The company has established a structured Product Quality Incident management process to identify, assess, investigate and resolve product quality incidents across its products and operations. Quality incidents may be identified through consumer complaint, customer feedback, supplier issues, market surveillance or

regulatory inspections.

Disclosure of product quality incidents corrective actions

The company has established a structured corrective and preventive action process for managing product quality incidents. Each significant quality incident is investigated through documented root-cause analysis to identify the immediate, underlying and systematic causes.

Products Recalls

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of recalls issued	0	0	0	0
Quantity of products recalled (Total units recalled)	0	0	0	0

No product recalls were recorded during the reporting period, reflecting strong quality controls, preventive checks, and effective corrective action processes in place.

Environment

Message from the Chief Manufacturing Officer



Our manufacturing journey is evolving with a clear focus on building efficient, responsible, and future-ready operations. We continue to strengthen our processes, technologies, and capabilities to deliver high-quality products while optimising resource use and reducing our environmental impact. This reflects our belief that Operations Excellence and Sustainability must advance together to create lasting value for our business, people, and communities. During the year, we continued to drive resource

efficiency, process optimisation, digitalisation, and responsible manufacturing across our facilities. By leveraging data, technology, and structured improvement practices, our teams are enhancing productivity, reliability, quality, and safety while building more agile operations and reducing resource intensity.

We are steadily embedding sustainability into our manufacturing practices through energy and water conservation, waste reduction, recycling, resource recovery, and the responsible use of materials. Automation, digitalisation, renewable energy, sustainable packaging, and waste reduction initiatives are further helping us improve efficiency and reduce our environmental footprint. The 2 MW solar power project at Aligarh, under a Power Purchase Agreement, is operational, while the 1.5 MW solar power project at Ahmedabad is nearing completion, supporting our transition towards renewable energy.

Our people remain central to this transformation. We focus on upskilling, multi-skilling, and leadership development, enabling employees to learn, grow, and take on greater responsibilities while strengthening a safe, inclusive, and healthy workplace.

By integrating environmental stewardship, people development, safety, technology, and operations excellence into everyday practices, we are building a stronger foundation for sustainable growth.

Looking ahead, we remain committed to strengthening manufacturing capabilities that are efficient, resilient, sustainable, and future-ready. We will continue collaborating with our employees, suppliers, industry partners, government bodies, and communities to accelerate our sustainability journey and drive meaningful improvements across our operations.

Himanshu Pandey
Chief Manufacturing Officer
Zydus Wellness Limited

Environmental Management System (EMS)

EMS verification	Document/ certification link
Environmental Policy	https://zyduswellness.com/wp-content/uploads/2026/05/Environment-Policy-1.pdf
ISO 14001 Standard	The Company's manufacturing plants at Ahmedabad, Aligarh and Sikkim (3 plants) covering 100% of our manufacturing plants are accredited for ISO 14001:2015, and FSSC 22000 as applicable, validating process, quality consistency and food safety. GMP certification at Sikkim Plant (since the product portfolio includes cosmetic products) Certification links: https://zyduswellness.com/wp-content/uploads/2026/09/ISO-14001-2015-ZWL-Ahmedabad.pdf https://zyduswellness.com/wp-content/uploads/2026/04/ISO-14001-2015-ZWPL-Aligarh.pdf https://zyduswellness.com/wp-content/uploads/2026/04/ISO-14001-2015-ZWPL-Sikkim.pdf
Third party certification / audit / verification by specialized companies	We have third-party air, noise and water quality check with test reports of all three sites. Reports links: https://zyduswellness.com/wp-content/uploads/2026/09/Environment-Report-Air-Water-Noise_3rd-Party-ZWL-Ahmedabad-Jul-2025.pdf https://zyduswellness.com/wp-content/uploads/2026/09/Environment-Report-Air-Water-Noise_3rd-Party-ZWPL-Aligarh-Jan-2026.pdf https://zyduswellness.com/wp-content/uploads/2026/09/Environmental-Report-AirWater-Noise_3rd-Party-ZWPL-Sikkim-July-2025.pdf
Internal certification / audit / verification	Internal Audit for environmental systems is conducted at all our three locations. Report links: https://zyduswellness.com/wp-content/uploads/2026/09/Internal-Audit-Certificate-ZWL-Ahmedabad.pdf https://zyduswellness.com/wp-content/uploads/2026/09/Internal-Audit-Certificate-ZWPL-Aligarh.pdf https://zyduswellness.com/wp-content/uploads/2026/09/Internal-Audit-Certificate-ZWPL-Sikkim.pdf
Coverage	100% of wholly owned operations

Environmental Violations

Parameter	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of violations of legal obligations/ regulations.	0	0	0	0
Number of fines/ penalties related to the above. (In ₹)	0	0	0	0
Environmental liability accrued at year end. (In ₹)	0	0	0	0

There have been no violations, significant fines, or penalties (> USD \$10,000) related to environmental or ecological matters in the past four financial years.



Energy Management Programs

Energy audits to identify opportunities for improving energy performance

The organization has defined a structured, multi-tier energy auditing framework that directly feeds our annual Energy Conservation (EnCon) Capital Investment Strategy:

The process includes multiple stages:

Preliminary Review:

Periodic inspections of Energy Guzzlers, Assessment of utility bills, and identification of immediate low-cost/no-cost improvement opportunities.

Detailed Assessment:

Daily Data Collection and in-depth data analysis, equipment performance measurements, and

load profiling to map energy consumption patterns.

Analysis & Validation:

ROI calculations, benchmarking against standards, and evaluation of potential saving measures.

Implementation Planning:

Prioritization and preparation of action plans of energy-saving opportunities to meet the target of 5% reduction of Enrgy saving Y-O-Y.

Internal Energy Evaluation Cycle:

Conducted across semi-annual milestones (H1 and H2), internal evaluations systematically identify energy-saving opportunities through baseline consumption analysis, motor/drive efficiency screening (VFDs), waste heat recovery assessments, and line-integration reviews. All identified measures undergo financial feasibility modeling (payback period and ROI) to meet our 5% YoY reduction target.

External Assurance & Benchmarking:

Every 3 years, 100% of operational sites undergo external energy audits led by accredited independent auditors to validate internal findings and benchmark systems against industry best practices. The next full-scope external audit across our three production units is set for Q4 2026-27.

Quantified targets to address energy savings

The Organization has set an ambitious target to achieve a 5% annual reduction in energy consumption (Baseline 2022-23) through systematic monitoring, process optimization, and implementation of identified EnCon (Improvement) projects.

By 2030, We are committed to:

- i. Reduce overall energy consumption by 50% through adoption of energy-efficient

technologies and continuous process optimization.

- ii. Increase renewable energy contribution to 50% of total energy requirement via solar installations and green power procurement.

Actions to reduce the amount of energy use

Below are the implemented actions on our plants

Aligarh:

1. Transition to Energy-Efficient Cooling System (VAM Integration): Converted conventional Vapour Compression AC systems to Vapour Absorption Machine (VAM) using waste heat, resulting in reduced electrical energy consumption and improved thermal efficiency.
2. Optimization of Power Generation Mix : Reduced DG set dependency through enhanced turbine-based power generation, delivering ~₹64 lakh annual savings with lower fuel consumption and emissions.
3. Process Optimization in Water Treatment (DM Plant) : Optimized DM plant regeneration cycles to enhance process efficiency, reducing energy consumption in water treatment and pumping operations.

Ahmedabad:

1. UPS for Fat Spread Line

2. Reduced downtime (100 → 10 min) improving productivity by 0.8% and saving ~31944.7 kWh/energy annually with strong operational ROI.
3. Cold Room Optimization: Optimization through consolidation enabled shutdown of one cold room, saving ~3,000 kWh/year.
4. Smart Lighting (Timer-Based): Implemented timer-controlled lighting systems to minimize usage during daylight hours, resulting in annual energy savings of approximately 5,875 kWh.

Sikkim:

1. Boiler Efficiency Improvement (1.8%): Annual saving of 128 Million Kcal through operational optimization.
2. Motion Sensor Installation: Reduction of 1,550 kWh/year by eliminating unnecessary lighting usage.
3. VFD Installation – Ribbon Blender: Energy saving of 27,216 kWh/year through speed optimization.
4. Process Optimization (Water Circulation Control): Saving of 8,536 kWh/year by stopping overnight circulation.
5. AHU Operation Optimization: Saving of 3,276 kWh/year by aligning start time with process requirement.

Total 230.16 MW Energy Saving in Year 25- 26.

Evaluation of progress in reducing energy consumption

During FY2025-26, total energy consumption increased by 5%, primarily due to the inclusion of fuel consumed by the owned/managed vehicle fleet within the reporting boundary. Despite this increase in absolute consumption, the Company continued to improve energy efficiency through operational improvements and energy conservation initiatives. Progress is evaluated through a combination of quantitative and qualitative measures:

i) Energy Index as a Site Leadership KPI

- Energy Index, with Electricity and Steam as its two key elements, is included as a KPI in the goals of Site Leadership across all manufacturing facilities.
- Energy performance is monitored through monthly tracking of the Energy Index and year-on-year trends, enabling site leadership to identify gaps and drive improvement actions.

This embeds energy efficiency into the regular performance management and review process across manufacturing sites.

ii) Energy Intensity and Efficiency Performance

- Energy and water intensity per rupee of turnover reduced by 28% Year-On-Year, demonstrating significant improvement in

resource efficiency.

- Total Scope 1 and Scope 2 GHG emission intensity per rupee of turnover reduced by 24% Year-On-Year, reflecting improved energy and carbon efficiency.

These improvements are driven by higher operational efficiency, process optimisation and energy conservation measures across manufacturing and supply-chain operations.

iii) Energy Usage Monitoring

- Monthly monitoring and analysis of Electricity, Steam and other energy consumption is undertaken to identify trends, deviations and opportunities for reduction.
- Real-time and periodic energy monitoring supports timely corrective actions and improved control of energy-intensive operations.

iv) Energy Conservation (EnCon) Cell

- Energy conservation projects are reviewed under EnCon Category, on SLIM portal (<https://portal.zyduscadila.com/GenericWF/SLIMWF/Landing.aspx>) providing a structured platform for sharing and replicating energy-saving initiatives across all facilities) and the financial impacts are approved by defined governance hierarchy.

v) Internal & External Energy Audits

- Periodic internal and external energy audits are conducted to identify energy-saving opportunities, assess operational efficiencies and address remaining inefficiencies.
- Audit recommendations are used to identify and prioritise further energy conservation opportunities.

Overall Progress:

While absolute energy consumption increased by 5% due primarily to the expanded reporting boundary, the 28% reduction in energy and water intensity and 24% reduction in Scope 1 and Scope 2 emission intensity demonstrate significant improvement in energy efficiency relative to business output. The integration of Energy Index into Site Leadership KPIs, supported by regular monitoring, EnCon initiatives and energy audits, provides a structured mechanism for continuous improvement in energy performance.

Use of clean or green energy

We are committed to transition to Clean/Green Fuel and In the financial year 24-25, the Green Fuel contribution in Manufacturing Operations was 88.27%. Furthermore, a significant 40% reduction in non-renewable fuel usage exemplifies our commitment to transition to renewable sources of energy. It

has been achieved. We continue to accelerate our transition towards clean and green energy across manufacturing operations. In FY2025-26, significant progress was made through increased use of renewable electricity and bio-based fuels, supported by facility-level initiatives.

Key Highlights:

Green Fuel Dominance: Green fuel contributed 85.4% of total energy used in manufacturing operations in FY2025-26, reflecting the continued shift towards cleaner energy sources.

Renewable & Bio-based Energy: 71% of total energy consumption was sourced from renewable energy and bio-based fuels, demonstrating substantial progress in reducing dependence on conventional fossil fuels. Facility-level initiatives:

- MW Solar Power Purchase Agreement (PPA) is in place, increasing the share of renewable electricity in the facility's energy mix.
- Rice husk has been integrated as a sustainable, bio-based thermal energy source, reducing dependence on conventional fuels.
- Agro-briquettes have been adopted for process heat requirements as a renewable/bio-based alternative to conventional fuels.
- Execution of a Solar PPA is underway, with completion targeted by the end of 2026.

- Maximum use of agro-briquettes is being pursued as a renewable/bio-based energy source for process heat requirements.

These initiatives demonstrate a continued and structured transition towards renewable electricity and bio-based fuels, with facility-specific actions focused on reducing fossil fuel dependence and increasing the share of clean energy in manufacturing operations. Multidimensional efforts across the value chain. Some of the major highlights in reference to Green Fuel are as follows;

- i. 1.2 MW Solar Power Purchase Agreement has been completed for the Aligarh Facility, marking a significant step in our transition towards renewable energy solutions.
- ii. ZWL is in the process of signing similar Solar Power Purchase agreements for Ahmedabad Manufacturing facility also and this will be completed by end of 2025.
- iii. Use of rice husk as a renewable energy source at Aligarh Facility
- iv. Use of Agro-briquets as a renewable source of energy at Ahmedabad and Sikkim Manufacturing Facility

Investments in innovation or research and development to decrease energy consumption

The Company operates in the Wellness Products segment, and its R&D activities are focused on product development, formulation, quality, efficacy and innovation within the Wellness portfolio. The management continues to direct capital expenditure towards technology and infrastructure that support improved environmental performance, resource efficiency and the transition towards cleaner energy. Accordingly, the Company's R&D expenditure is directed towards Wellness product innovation. Energy consumption reduction is addressed primarily through technology upgrades, process optimisation, energy-efficient infrastructure and energy conservation initiatives across manufacturing facilities.

During FY2025-26, the Company invested INR 2.76 crore in technology and infrastructure related to environmental impact, representing 11.49% of total Capex. These investments support the Company's broader environmental objectives, including improving energy efficiency, increasing the use of renewable and bio-based energy, reducing dependence on conventional fuels and improving overall manufacturing efficiency.

Some examples of R&D initiatives during

FY2025-26 include:

- **Pre-mixer introduction in Chocolate manufacturing:** A pre-mixer was introduced to reduce batch cycle time, thereby reducing equipment operating hours and associated energy consumption per batch.
- **Mayonnaise Production through Fryma Koruma batch size optimisation:** The batch size was increased from 350 kg/batch to 500 kg/batch, improving production efficiency and resulting in energy savings per unit of production by reducing the number of batches and associated equipment operating time.
- **Max Protein Cookies batch size optimisation:** The batch size was increased from 30 kg/batch to 38 kg/batch, improving process productivity and contributing to lower energy consumption per kg of product.

Energy efficiency training provided to employees to raise awareness of energy consumption reduction

Zyodus Wellness integrates energy conservation and efficient utility management into its manufacturing training and awareness programs. Employees and contract workforce are sensitised to energy-efficient operating practices through induction, SOP-based training, toolbox talks,

utility awareness sessions and continuous improvement initiatives.

Key Training areas include:

- Energy-Efficient Machine Operation:** Employees are trained on operating production equipment as per defined SOPs, including optimum operating parameters, avoiding unnecessary idling/running of equipment and ensuring timely shutdown of equipment when not in use.
- Utility Optimisation:** Training focuses on efficient use of key manufacturing utilities such as electricity, steam, compressed air, chilled water and hot water, including identification and reporting of leakages, abnormal consumption and avoidable energy losses.
- Steam & Thermal Energy Management:** Employees are sensitised to proper operation of steam-consuming equipment, insulation practices, prevention of steam leakages and condensate/heat-loss management to improve thermal energy efficiency.
- Compressed Air Management:** Shop-floor teams are trained to identify and report compressed-air leakages, avoid unnecessary use of compressed air and maintain operating conditions that minimise energy losses.

Production Process Optimisation: Training and on-the-job coaching focus on batch-size

optimisation, reduction in batch cycle time, minimising equipment changeover and reducing unnecessary equipment operating hours, thereby improving energy consumption per unit of production.

- Preventive Maintenance & Energy Loss Prevention:** Employees are trained to identify abnormal equipment conditions, follow preventive maintenance practices and promptly report issues that can result in higher energy consumption or inefficient equipment operation.
- Energy Conservation & Good Manufacturing Practices:** Regular awareness sessions reinforce basic energy conservation behaviours, including switching off equipment and utilities when not required, maintaining good housekeeping and avoiding unnecessary consumption during breaks, changeovers and shutdowns.
- Energy Indices:** Employees are made aware of the Energy Index, with Electricity and Steam as key elements, and how their day-to-day operating practices contribute to site-level energy performance. Energy efficiency is also embedded in the KPI framework of Site Leadership across manufacturing facilities.

Impact & Outcomes:

- Reduced avoidable energy losses through improved operating practices and utility

management.

- Improved energy efficiency per unit of production through process and batch optimisation.
- Increased employee participation in energy-saving Kaizens and improvement initiatives.
- Improved equipment reliability and reduced energy losses associated with breakdowns and restarts.
- Stronger energy-conscious culture across manufacturing operations.



Energy Consumption

Total energy consumption	Unit	FY 2022-23	FY 2023-24	FY 2024-25*	FY 2025-26*	Target FY 2025-26
Total non-renewable energy consumption	MWh	37,603.69	1,02,349.17	35,023.00	41,261.38	45,000
Total renewable energy consumption	MWh	1,16,544.56	1,00,708.33	1,01,056.66	1,01,389.16	-
Data coverage (% of Operations)	%	100	100	100	100	-

*SGS India Pvt. Ltd. has conducted Reasonable Assurance for the reported financial years.



Packaging commitment

Measurable group-wide commitment to reduce the volume and/or weight of packaging and target

In 2025-26, we achieved an additional 60T reduction in packaging material, demonstrating continued progress in resource efficiency and sustainable packaging.

We remain committed to our ambition of achieving **100% recyclable packaging by 2030**. Given current constraints in material availability, technology maturity, and supply chain readiness, the phased approach will allow us to enable the required technologies, make responsible

investments, and build a resilient supply chain while maintaining product quality, safety, and performance.

Programs to increase the use of reusable packaging

We remain steadfast in our pursuit of strategic partnerships to enable the recovery and reuse of packaging materials. We are actively engaging with potential partners that have the required capabilities and infrastructure to provide an end-to-end solution covering collection, recovery, sanitization, and reverse logistics,

enabling the safe return of used packaging to our manufacturing facilities. Our focus is on developing a scalable and economically viable model that can facilitate packaging reuse at sustainable cost while advancing our circularity ambitions.

Programs to increase the use of recyclable packaging

We continue to strengthen the recyclable content and overall sustainability of our packaging through design innovation, material optimization, and the adoption of Design for

Recycling principles. We have successfully completed line trials and technical feasibility assessments to replace non-recyclable composite containers with 100% recyclable PP containers, resulting in the conversion of 68 MT of non-recyclable material to recyclable material. For all new projects, Design for Recycling is embedded as a key packaging development principle. We also benchmark our packaging solutions against the most optimized options available in the market to continuously reduce our packaging footprint and maintain a competitive sustainability performance. Our focus remains on using the minimum amount of packaging material per gram of product while progressively increasing the recyclability of our packaging toward 100%, thereby reducing material consumption and supporting a more circular packaging system.

Programs to phase out single-use plastic packaging

As per PWM 2022 none of our packaging material comes under single-use plastic packaging

Programs to increase the use of recycled material as packaging solutions

We are progressively expanding the use of recycled polymers across our plastic packaging portfolio. 100% recycled PET (rPET) has been implemented in Nycil PET jars, while the GD

Immuno Volt jar with 100% rPET is ready for implementation. Stability studies for Nycil PP and HDPE bottles have been completed, and the GD jar is currently undergoing stability evaluation with rPET. We continue with the use of recycled materials in our packaging to advance circularity and reduce our reliance on virgin resources. 100% of our corrugated boxes are made from recycled kraft paper, while our paperboard cartons also predominantly incorporate recycled content.

Programs to ensure that recyclable packaging is recycled

We are implementing programs to ensure that recyclable packaging is recycled by partnering with waste management agencies, developing reverse logistics models, and raising consumer awareness to improve collection and recovery rates.

Allocation of R&D resources to sustainable packaging and alternative solutions

Sustainability is embedded within our packaging development priorities and investment decisions. Approximately 20% of our packaging development efforts are strategically focused on innovative and sustainable packaging solutions, supported by a project evaluation framework that assigns 20% weightage to initiatives focused on material optimization, material replacement, and sustainability-driven design.

To translate these commitments into tangible outcomes, 10-15% of the packaging development budget in the current fiscal year is earmarked for sustainable packaging initiatives. This investment supports the development, testing, and implementation of solutions that reduce material consumption, increase recycled and recyclable content, and advance our broader sustainable packaging objectives. Through these defined KPIs and targeted resource allocation, we aim to integrate sustainability into the packaging innovation lifecycle while driving measurable progress toward our long-term packaging sustainability goals.



Packaging Materials

Packaging Materials	Amount (metric tonnes)	Percentage of materials used that is certified	Percentage of materials used that comes from recycled sources
Wood/Paper fiber packaging	6,022	98%	75%
Metal (e.g., aluminum or steel)	401	0	0
Glass packaging	70	0	0

Standard certification for Paper name: Forest Stewardship Council (FSC)

Note: In India, use of recycled glass material in packaging is not allowed for food products. As an industry practice upto 20% recycled glass fillets are mixed in glass while manufacturing glass packaging materials.



Plastic Packaging

Parameter	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Target for FY 2025-26
Total weight of all plastic packaging (in metric tonnes)	6,117	3,650	5,572	8,800	6000
% of recyclable plastic packaging (as a % of the total weight of all plastic packaging)	57	53	78	85	60
% of compostable plastic packaging (as a % of the total weight of all plastic packaging)	0	0	0	0	0
% of recycled content within your plastic packaging (as a % of the total weight of all plastic packaging)	0	0	0	0.6	0
Coverage (as a % of cost of goods sold)	100	100	100	100	100

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



Waste Management Programs

The company has implemented robust waste management programs across its operations to minimize waste generation, optimize recycling, and reduce landfill contributions. The key elements of these programs are as follows:

Waste audits to identify opportunities for improving waste performance

A structured and systematic process of periodic internal and external waste audits is defined across all manufacturing facilities to ensure compliance with applicable statutory and internal requirements, verify waste management controls, and drive corrective actions and continual improvement.

In FY 2025–26, the Company conducted a comprehensive internal waste audit across all its manufacturing locations. Key outcomes and highlights of these efforts include:

Source Reduction & Reclassification: The audit focused on strengthening the accurate classification of waste streams and identifying targeted opportunities to reduce waste generation directly at the source.

Systematic Tracking & Regulatory Compliance:

Both hazardous and non-hazardous waste streams are systematically tracked, recorded, and handed over exclusively to authorized third-party recyclers or disposal agencies in full compliance with applicable statutory regulations.

Quantifiable Impact: Driven by these continuous improvement initiatives, hazardous waste generation dropped significantly by 34.8% year-on-year and plastic waste by 14.6%, reflecting improvements in process efficiency and packaging sustainability across Aligarh, Ahmedabad and Sikkim operations.

Focused Initiatives on Reduce, Reuse & Recycling: All waste is systematically tracked and handled through authorized third-party recyclers/disposal agencies. Currently, 97% of total waste is recycled, while the remaining 3% is directed to co-processing, ensuring zero operational waste goes to standard landfill disposal.

Independent External Assurance: To ensure data integrity, an independent external audit of waste generation and disposal data was conducted by SGS Ltd., which provided “Reasonable Assurance” over the accuracy of the disclosures published in the BRSR report.

This proactive audit mechanism underscores the

Company’s ongoing commitment to resource efficiency and continuous environmental improvement.

Action plans to reduce waste generation

Zydus Wellness Limited (ZWL) has implemented a structured, multidimensional action plan aimed at minimizing waste at source, advancing resource efficiency, and ensuring sustainable material management across its operations. Key action plans for FY 2025–26 include:

Leadership Accountability (KPIs): Embedding plastic waste reduction targets for Jars, Laminates, Polybags, Caps, Parchment paper, Duplexes, etc. as KPIs for Site Leadership, including Factory Heads.

Reduction at Source & Process Optimization: Implementing operational improvements across manufacturing lines to reduce material consumption, process losses, scrap and waste generation at source.

Designing for Sustainable Packaging: Focusing on packaging redesign and lightweighting, including reducing the weight of packaging bottles while maintaining required strength, functionality, quality and product protection,

thereby reducing material consumption and associated plastic waste.

End-to End Material Balancing: Maintaining systematic digital logging and tracking of all waste categories, including hazardous, non-hazardous, e-waste and biomedical waste, to ensure traceability and compliance throughout the waste management chain.

EPR Compliance & Partnership Governance: Ensuring compliance with applicable EPR requirements and engaging authorised and audited waste management partners to maximise recycling, recovery and co-processing while minimising disposal.

Quantified targets to minimize waste

ZWL has established quantified short-, medium- and long-term targets to minimise waste generation, reduce material consumption, increase recyclability and strengthen circularity across its operations.

1. Long-Term Waste Management Goals

- **Target:** Achieve Zero Liquid Discharge (ZLD) and Zero Waste to Landfill (ZWTL) by 2030. Transition to 100% recyclable multi-layer plastic packaging by FY 2027–28.
- **Actual:**
- i. **Zero Waste To Landfill:** Achieved 97% waste recovery in FY 2025–26, with 2,667 MT out of 2,741 MT of total waste diverted

from disposal through recycling. Zero waste was sent to landfill or incineration, demonstrating significant progress towards the 2030 ZWTL target.

- ii. **Zero Liquid Discharge:** Progress towards the 2030 ZLD target is being strengthened through continued optimisation of wastewater treatment and water recovery initiatives across manufacturing facilities.
- iii. **Recyclable packaging:** Initiatives towards the transition to 100% recyclable multi-layer plastic packaging by FY 2027–28 are being progressed through packaging optimisation and adoption of recyclable materials.

2. Packaging Material Reduction:

Reduce packaging material consumption by 1,000 tonnes by 2027 through packaging optimisation, lightweighting, reduction of process and packaging losses, and adoption of alternative/reusable materials wherever technically feasible.

3. Plastic Waste Reduction

- **Target:** Reducing plastic waste generation by 5% Year-on-Year (baseline: 2023). through packaging optimisation, material lightweighting, improved process controls and increased use of recyclable packaging solutions.
- **Actual:** Plastic waste generation was reduced

by 14.6% Year-on-Year in FY 2025–26, reflecting continued improvements in packaging sustainability across the Aligarh, Ahmedabad and Sikkim operations.

4. EPR:

- **Target:** Ensure 100% fulfilment of applicable EPR obligations by facilitating the collection, recycling and environmentally responsible management of the entire quantity of post-consumer plastic packaging waste covered under EPR, through authorised recyclers and recovery channels.
- **Actual:** In FY 2025-26, 100% - Extended Producer Responsibility ("EPR") target assigned by CPCB to ZWL was achieved.

Investment in innovation or R&D to minimize waste

ZWL invests in innovation and R&D to reduce waste generation across product development, packaging, and manufacturing processes by focusing on material optimization, circularity, and process efficiency.

Key investment areas include:

Sustainable Packaging Innovation: R&D initiatives focus on lightweighting of plastic packaging (Jars, bottles, Caps, Parchment Paper and Laminates), improving packaging design to

reduce material consumption, and developing recyclable packaging solutions, including the transition towards recyclable multi-layer plastics.

COE (Center of Excellence): Comprising Manufacturing, Packaging Development, Procurement, R&D, Marketing and GDSO teams, the COE jointly identifies and implements waste-reduction, material optimisation and resource-efficiency initiatives, with progress monitored through defined plant-level performance indicators.

Innovation Council: Chaired by the Chairman, the Innovation Council brings together R&D, Innovation Excellence and Packaging Development teams to evaluate customer inputs and feedback and drive innovation across products, processes and packaging. Sustainable packaging, material optimisation and waste reduction are among its key focus areas.

Process Optimization: Investments in manufacturing improvements help reduce packaging losses, product wastage, and process rejects through better process controls, yield improvement, and operational efficiency initiatives.

Material Substitution: Evaluation and adoption of reusable or returnable packaging solutions and lower-impact materials wherever technically feasible to reduce virgin material consumption and waste generation.

These innovation and R&D investments support

ZWL's long-term goals of reducing packaging material consumption, transitioning to recyclable packaging, and achieving Zero Waste to Landfill by 2030.

Waste reduction training provided to employees

During FY 2025–26, Waste reduction and Resource-efficiency aspects were integrated into relevant EHS, environmental and operational training programmes.

Key training and awareness programs include:

- iv. **Waste Minimisation at Source:** Training the shop floor employees to identify and prevent avoidable waste generation through efficient use of raw materials, packaging materials, utilities and other resources.
- v. **Waste Segregation and Handling:** Training on Segregation of waste at source into appropriate waste streams, including hazardous waste, non-hazardous waste, plastic waste, e-waste and other applicable categories.
- vi. **Reduce, Reuse and Recycle:** Training the principles of 3R (Reduce, Reuse and Recycle), with emphasis on reuse of materials and maximising recycling and resource recovery.
- vii. **Plastic Waste Reduction:** Employees are trained to identify opportunities for reducing

plastic packaging consumption, packaging losses and process-related plastic waste, supporting the organisation's plastic reduction objectives.

- viii. **Hazardous Waste Management:** Training on safe handling, storage, labelling, transportation and disposal of hazardous waste in accordance with applicable regulatory requirements.
- ix. **Chemical Handling & Waste Reduction:** Proper handling, storage and transfer of chemicals to prevent spills, losses and avoidable waste.
- x. **Spillage Prevention & Control:** Practices to prevent material and chemical spills and minimise waste generated from spill incidents
- xi. **Extended Producers Responsibility (EPR):** Training on EPR requirements, regulatory obligations, plastic waste management, and compliance with EPR targets and reporting requirements.
- xii. **Differences, Interlinkages and Relevance of EHS, ESG and Sustainability:** Understanding what EHS, ESG and Sustainability mean, how they differ, and how they apply to day-to-day manufacturing operations.

These initiatives help build employee ownership and embed waste prevention and resource efficiency into day-to-day operations.

Integration of recycling programs to reduce the waste sent to landfill

ZWL has embedded recycling, resource recovery and co-processing into its waste-management practices to systematically divert waste from landfill and support its long-term commitment to Zero Waste to Landfill (ZWTL) by 2030.

Key initiatives implemented during FY 2025–26 include:

- i. **Integrated Recycling and co-processing programmes:** Recycling and co-processing are integrated into site-level waste-management practices to maximise material recovery and divert suitable waste from landfill disposal.
- ii. **Use of Authorised and Approved processors:** Recyclable and recoverable waste is channelled to authorised recyclers and co-processors. For applicable waste streams, ZWL engages processors approved/recognised by the respective State Pollution Control Boards (SPCBs) to ensure compliant and environmentally sound treatment.
- iii. **Waste segregation and Source-level recovery:** Waste is segregated at source into recyclable, reusable, hazardous and other applicable waste streams to improve recovery efficiency and prevent contamination of recyclable materials.

- iv. **Recycling of Plastic, Metal and Paper:** ZWL actively recovers recyclable plastic, metal and paper waste through designated recycling channels. Recycling Hub certificates are obtained on a monthly basis, providing documented evidence of recycling and resource recovery of these waste streams.
- v. **Co-processing of Suitable Waste:** Waste that is not suitable for conventional recycling but has recoverable resource or energy value is directed, wherever technically feasible, for co-processing, thereby reducing dependence on landfill disposal.
- vi. **Decentralised Collection and Processing:** ZWL supports decentralised waste collection/aggregation mechanisms and collection hubs to strengthen segregation, collection and processing closer to the point of generation.
- vii. **Plastic Waste and EPR integration:** Plastic packaging waste is systematically collected and channelled for recycling/recovery through authorised mechanisms in alignment with applicable Extended Producer Responsibility (EPR) obligations.
- viii. **Traceability and Third-Party Assurance:** Recycling activities are supported by certificates and documentation from external recycling agencies, providing evidence of quantities recycled and strengthening transparency, traceability. In addition, third-party validation by independent/accredited

agencies is undertaken, to enhance the transparency, traceability and credibility of waste recycling.

Through these integrated programmes, ZWL is progressively increasing recycling, reuse, resource recovery and co-processing, while reducing the quantity of waste requiring landfill disposal.

Waste diversion from landfill is certified by an independent accredited body

Yes. ZWL's waste diversion practices are supported through regulatory approvals and independent/third-party verification mechanisms, as applicable to the respective waste streams and facilities.

During FY 2025–26, ZWL continued to implement waste-diversion initiatives across its facilities, including:

- ix. **Co-Processing:** At the Sikkim and Ahmedabad facilities, suitable waste is channelled to authorised cement-industry facilities for co-processing as an alternative fuel and/or raw material, thereby diverting waste from landfill.
- x. **Boiler Ash Utilisation:** At the Aligarh facility, Boiler Ash generated from the boiler is sent to nearby cement plant, thereby converting

the waste stream into a useful resource.

- xi. **Regulatory Authorisation:** Waste recycling, recovery and co-processing activities are undertaken through authorised agencies/processors in accordance with applicable requirements of the respective State Pollution Control Boards (SPCBs).
- xii. **Independent/third-party Verification:** Waste diversion and recycling activities are supported, where applicable, by documentation/certificates issued by authorised recyclers, co-processors and independent/accredited agencies, providing traceability and evidence of the final treatment or utilisation of diverted waste.

These practices enable ZWL to demonstrate measurable diversion of suitable waste from landfill while promoting resource recovery, co-processing and circular-economy principles, in support of the organisation's long-term Zero Waste to Landfill target by 2030.



Waste Disposal

Particulars	Unit	FY 2022-23	FY 2023-24	FY 2024-25*	FY 2025-26*	Target for FY 2025-26
Total waste recycled/reused	MT	837	1,081	1,604	2,667	
Total waste disposed	MT	97	172	108	74	100
- Waste landfilled	MT	0	0	0	0	
- Waste incinerated with energy recovery	MT	0	0	0	0	
- Waste incinerated without energy recovery	MT	0	0	0	0	
- Waste otherwise disposed, please specify: Co-processing	MT	97	82	108	74	
- Waste with unknown disposal method	MT	0	90	0	0	
Data coverage (as % of operations)	%	100	100	100	100	

*SGS India Pvt. Ltd. has conducted Reasonable Assurance for the reported financial years.

Food Loss & Waste Commitment

Programs established to measure food loss & waste

ZWL has established a structured system to measure, monitor and reduce food loss and waste across its manufacturing and processing operations. Key programs include:

- **Line-wise Yield & Loss Monitoring:** Monitoring production-line yields and material losses at different stages of manufacturing to identify process-related food loss and operational waste.
- **Batch-level Monitoring:** Tracking material usage and losses at batch level, supported by periodic process reviews to identify deviations, inefficiencies and root causes of food loss.
- **Floor Loss Monitoring:** Recording and analysing material losses occurring on the shop floor during processing, filling and packing to identify opportunities for prevention.
- **Digital Data Capture & Review:** Systematic digital recording of waste data and periodic review of plant-level performance indicators to identify trends and initiate corrective actions.
- **Daily Food Waste Measurement:**

Daily recording and quantification of food and organic waste generated at each manufacturing facility, with waste categorised by source and type.

This approach enables ZWL to quantify food loss and waste, identify key loss points, track performance and drive continuous reduction across its manufacturing operations.

Programs established to measure food loss & waste

Zydus Wellness Limited (ZWL) has established a comprehensive, program-driven framework to systematically measure, monitor and minimise food loss and operational waste across all manufacturing and processing facilities:

- **Theme based Awareness Campaigns:** Monthly, theme-based programs deployed across all Zydus facilities to drive operational engagement, best practices, and continuous waste reduction.
- **Daily Work Management (DWM) Integration:** Daily operational reviews and DWM practices embedded into routine workflows for real-time identification, tracking, and ongoing reduction of food loss.

- **Standard Operating Procedures (SOPs):** Rigorous handling and storage protocols for raw materials and semi-finished inventory to prevent spoilage, degradation, and handling-related waste.
- **Root Cause & Corrective Action:** Structured Root Cause Analysis (RCA) protocols triggered for major food loss incidents to establish targeted Corrective and Preventive Actions (CAPA) and ongoing process improvements.

This approach enables ZWL to quantify food loss and waste, identify key loss points, track performance and drive continuous reduction across its manufacturing operations.

Measurable group-wide targets to reduce the total weight of food loss & waste

ZWL has established formal, group-wide quantitative targets and oversight mechanisms to systematically drive food loss and waste (FLW) reduction across all manufacturing assets

The targets are to time bound. Planned year for full implementation of the targets

Quantitative Targets & Baselines:

- **Long-Term Goal:** Achieve a 20% reduction in total food loss and waste by FY 2030 against a FY 2023-24 baseline.
- **Short-Term Goal:** Ensure a 5% year-on-year reduction in food loss and waste through Daily Work Management (DWM) practices and continuous process improvement.

Governance & Performance Monitoring:

- **Strategic Alignment & Business Performance:** Food loss and waste reduction is integrated into ZWL's broader commitment to Zero Waste to Landfill (ZWTL) by 2030 and monitored as part of operational performance.
- **Daily Food Loss & Waste Measurement:** Food loss and waste are measured and recorded daily across production lines and batch levels at all operational facilities.
- **Digital Monitoring:** Waste data is captured through central digital dashboards and IIoT-enabled systems, enabling timely monitoring and corrective action.
- **Periodic Internal Audits:** Quarterly internal operational audits are conducted to verify data accuracy, assess performance against targets, and identify opportunities for further reduction.

Key Drivers / Levers:

- **Lean Manufacturing:** Process optimization and yield improvement driven by site-level

Operational Excellence & Lean initiatives.

- **R&D & Innovation Excellence:** Research-backed innovations in product formulations and manufacturing process efficiencies.
- **Capability Building:** Comprehensive workforce training focused on resource optimization, waste segregation, and 3R (Reduce, Reuse, Recycle) methodologies.

Break-down of food loss & waste volumes by food category and/or lifecycle stage

ZWL has established a structured framework to classify, monitor and reduce food loss and waste across key waste streams, including Mayonnaise and non-edible oil waste, with performance tracked against defined annual targets.

Key initiatives across various stages of value-chain include:

- Production Stage:** Minimising food loss and waste during processing, manufacturing and packaging through improved process controls and operating practices.
- Operational Stage:** Monitoring losses from material dispensing, production lines, filling and packing activities and implementing measures to reduce avoidable losses.
- Storage & Handling Stage:** Preventing losses arising from improper handling, spillage and storage through strengthened SOPs, regular

audits and employee awareness.

- Distribution & Logistics Stage:** Minimising losses during product handling, transportation and storage through improved inventory management, damage prevention and shelf-life monitoring, in coordination with supply chain partners.

This framework supports ZWL's waste reduction objectives and long-term commitment to Zero Waste to Landfill (ZWTL) by 2030.

Programs aimed at using food loss & waste for alternative uses

The company is committed to repurposing food loss and waste into alternative uses that reduce environmental impact while enhancing resource efficiency. Some of the major alternative uses are:

The company enforces a structured waste-repurposing strategy designed to divert food loss and waste (FLW) from disposal streams, channeling organic residues and manufacturing by-products into high-value industrial and agricultural applications:

Upcycling Waste into Cattle Feed: Product-level waste streams from high-volume nutrition, beverage, and sweetener brands—including Ghee residues, Glucon-D, Complan, and Sugar Free—are systematically recovered and

repurposed into animal/cattle feed. This closes the loop within the agricultural value chain and replaces virgin feed inputs.

Upcycling & Resource Recovery (Soap & Biofuel): Recovered palm oil from fat spread process streams at the Ahmedabad facility is extracted and redirected as industrial feedstock for soap manufacturing and biodiesel production, replacing fossil fuels and virgin oils in non-food supply chains. By focusing on material recovery and conversion of waste into useful co-products rather than landfilling or conventional incineration, these programmes directly support ZWL's Zero Waste to Landfill (ZWTL) 2030 roadmap, while also

creating opportunities for cost savings and value generation.

Collaboration with up/downstream partners to reduce the amount of food loss & waste in the value chain

ZWL collaborates with upstream and downstream value-chain partners to minimise food loss and waste and promote the productive use of recoverable materials.

Upstream Collaboration: ZWL works with suppliers and farmers to promote efficient sourcing, handling and storage practices, thereby reducing raw material losses and

wastage.

Downstream Collaboration: ZWL works with cattle feed producers, soap manufacturers and biodiesel manufacturers to recover and repurpose suitable product and process waste. Waste from Glucon-D, Complian and Sugar Free is redirected for use in cattle feed, while palm oil recovered from fat spread waste at the Ahmedabad facility is utilised in soap manufacturing.

These collaborations enable food loss and waste to be converted into useful resources, supporting circularity, reducing disposal and creating value across the value chain.



Food Loss & Waste Impact

Food loss & waste	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Target for FY 2025-26
a) Total weight of all food loss & waste	MT	276.41	462.50	731.33	570.78	658
b) Total weight of food loss & waste volumes used for alternative purposes	MT	276.41	462.50	731.33	570.78	658
c) Total food loss & waste discarded (a-b)	MT	0	0	0	0	0
d) Coverage	% of operations	100	100	100	100	-

Note: Aligarh plant - All food waste has been sent to piggery/cattle feed farm; Ahmedabad plant - All food waste is being sent to soap industry for co-processing; Sikkim plant - All food waste has been sent for co-processing. Our food loss and waste impact data has been assured by Intertek India, third-party auditor. For the assurance statement please refer to pg. no. 141-142 in the ESG Databook FY 2025-26.

Water Efficiency Management Programs

Water use assessment to identify opportunities for water efficiency improvements

The company follows a structured water-efficiency assessment and improvement approach across its manufacturing operations. The assessment combines water mapping, consumption analytics, site-level reviews and targeted conservation initiatives to identify opportunities for reducing freshwater demand and improving water-use efficiency.

The multidimensional approach during FY 2025–26 includes:

- i. **Water-Use Mapping and Critical-Area Assessment:** Water sources, major consumption points and discharge streams are mapped across manufacturing processes, utilities, sanitation and other operations. High-consumption areas are identified for focused assessment and improvement. Critical Area Assessments focus on opportunities such as optimisation of process-water use, reduction of cleaning and washing losses, reuse/recycling of suitable water streams, optimisation of utility operations and prevention of leakage/overflow.
- ii. **Water Balance and Loss Identification:** Site-level water balances are periodically reviewed by comparing water withdrawal, process consumption, reuse/recycling and discharge. Variations and unaccounted losses are investigated to identify opportunities for reduction.
- iii. **Metering and Consumption Analysis:** Consumption is monitored through available flow meters and other measurement systems. Historical consumption data is analysed against production levels and operating conditions to identify abnormal consumption, trends and losses.
- iv. **Inter-Site benchmarking through Water Intensity Indicators (Water Index):** Water consumption is monitored using relevant intensity indicators, including KL of water consumed per MT of production, enabling comparison of performance across sites and identification of areas requiring improvement. Potable water consumption is also monitored on a litres/person basis.
- v. **Water Audits and Verification:** Periodic internal assessments and, where applicable, independent water audits are undertaken to validate consumption patterns, evaluate existing conservation measures and identify additional opportunities for efficiency improvement.
- vi. **Employee-led Conservation initiatives:** Water conservation awareness and improvement campaigns, including the annual Water Conservation Month in June, are used to engage employees in identifying leakages, reducing unnecessary water use and promoting water-conscious operating practices.
- vii. **Focused Improvement Programme:** Findings from water assessments are converted into site-level improvement actions, with responsible functions, implementation timelines and performance monitoring to drive continual reduction in water consumption.

Through this approach, ZWL integrates measurement, assessment, opportunity identification and implementation into its water-management programme, enabling progressive improvement in water-use efficiency and supporting responsible stewardship of freshwater resources.

Actions to reduce water consumption

The company has deployed a structured, multi-site water management strategy combining

granular monitoring, technology retrofits, process optimizations, and wastewater recycling to systematically reduce freshwater withdrawal and boost water-use efficiency:

i. End-to-End Water Balance, Consumption Monitoring:

- Maintenance and periodic review of facility-wide Water Balance Diagrams to map major water-consuming equipment, establish baseline flows, and eliminate unaccounted distribution losses.
- Routine pipeline checks paired with historical trend analysis (meter logs, utility billing, and production volumes). Water intensity metrics (e.g., liters consumed per unit of production) are tracked across sites for performance benchmarking and continuous improvement.

ii. Audits & Assurances (Internal & External)
Periodic internal assessments and independent water audits are conducted to verify water consumption data, assess conservation measures, ensure compliance with applicable requirements, and identify opportunities for further water efficiency and reduction.

Site-Specific Engineering & Conservation Interventions:

i. Aligarh Facility:

- Thermal Energy & Steam Efficiency:

Upgraded to a modern Dump Condenser system, driving a 10% increase in condensate water recovery for boiler feed reuse.

- Dry Cleaning Technologies: Transitioned from traditional wet-wash procedures to dry-ice machine cleaning, significantly reducing operational wash-water demand.
- Treated Effluent Recycling: Reclaiming Effluent Treatment Plant (ETP) output for secondary non-potable applications (site landscaping, sanitary flushing, and boiler ash suppression), yielding 4–5 KL/day of direct groundwater savings.

ii. Ahmedabad Facility:

- Flow Control & Hardware Efficiency: Installed high efficiency tap aerators and expanded real-time digital flow metering to enforce continuous consumption monitoring.
- Wastewater Diversion: Diverting treated wastewater for internal flushing and facility cleaning, generating ~14 KL/day in municipal/freshwater savings.

iii. Sikkim Facility:

- Automated Monitoring: Deployed strategic flow meters across main lines to establish real-time consumption baselines, detect leaks early, and enable swift corrective action.

Actions to improve wastewater quality

The company has continued to strengthen wastewater management across its manufacturing locations through improvements in treatment efficiency, process controls, monitoring, reuse and preventive maintenance. Key actions undertaken during 2025–26 across the facilities are as follows:

Aligarh:

- Continued operation and optimization of the dedicated ETP and STP systems for effective treatment of industrial effluent and domestic sewage.
- Strengthened treatment performance through periodic inspection, maintenance and servicing of critical treatment and filtration units.
- OCEMS (Online Continuous Effluent Monitoring System) is installed for real time monitoring of treated effluent parameters regularly to ensure compliance with applicable discharge standards. The same is connected to CPCB server. Increased focus on reuse of treated water for suitable non-potable applications, thereby reducing freshwater demand.

Ahmedabad:

- Continued operation of the Zero Liquid Discharge (ZLD) system with separate ETP

and STP streams to improve treatment control and treated-water quality.

- Treated ETP water is further processed/ reused for suitable plant applications, minimizing the requirement for freshwater and preventing liquid effluent discharge.
- Regular monitoring of treated water quality and operational performance is carried out to maintain treatment efficiency and ZLD performance.
- Preventive maintenance and optimization of critical treatment systems are undertaken to ensure consistent wastewater treatment quality.

Sikkim:

- Continued operation of dedicated ETP and STP facilities with a multi-stage RO-based treatment system supporting the site's ZLD approach.
- Treatment processes are regularly monitored and optimized to maintain the required quality of treated wastewater.
- Recovered water is recycled for appropriate utility applications, thereby improving water recovery and reducing freshwater dependency.

Overall, these site-specific interventions have strengthened the company's approach to wastewater quality improvement, treatment reliability, water recovery and reuse, while

supporting compliance with applicable environmental standards and the company's broader water stewardship objectives.

Establishment of targets to reduce water use

The company has established quantified short-, medium- and long-term targets to reduce water consumption, improve water-use efficiency and promote conservation, recycling and reuse across its operations.

Long-Term Target (2030): The company is committed to achieving a 25% reduction in freshwater consumption by 2030, in line with its sustainability roadmap and water stewardship objectives.

Progress Against Target: During 2025–26, Water intensity per rupee of turnover reduced by 28%. Further, continued efforts were undertaken to improve water efficiency through process optimization, reduction of water losses, recycling and reuse initiatives. Water Index / Specific Water consumption (KL/MT of production) is monitored against defined site-level targets to assess progress towards the long-term reduction goal.

Monitoring & Performance Management:

Water consumption is monitored on a daily basis through the Water Index (KL/MT of production)

at manufacturing locations. Periodic review of consumption trends enables identification of abnormal consumption, water losses and opportunities for further efficiency improvement.

Site-Level Action Plans: Based on water-use assessments and consumption trends, site-specific action plans are implemented covering process optimization, water conservation, recycling and reuse, leakage reduction and improvement of water management practices. The company continues to strengthen its water-efficiency programme through periodic water audits, identification of major water-consuming processes, implementation of conservation projects and increased focus on recycling and reuse, thereby progressively reducing freshwater dependency and improving water-use efficiency.

Application of water recycling

Across the company's manufacturing facilities, treated wastewater is systematically recovered and reused for identified non-potable applications, reducing freshwater intake and supporting efficient water resource management. Depending on site-specific requirements, recycled water is utilized for gardening, toilet flushing, equipment and floor washing, cooling towers, hot water generation and hydrant system charging.

The company continues to identify additional opportunities to increase the proportion of treated wastewater reused within operations, with emphasis on reducing freshwater consumption and maximizing water recovery from existing treatment systems.

At the Aligarh facility, water conservation has been further strengthened through the reuse of steam condensate. The recovered condensate is utilized for equipment cleaning and floor washing, replacing the use of fresh water for these activities. This initiative, together with the reuse of treated wastewater across plant and utility applications, has further improved water-use efficiency and contributed to reducing freshwater dependency.

These initiatives support the company's broader objective of maximizing water recycling and reuse, reducing freshwater withdrawal and progressing towards a more circular and closed-loop water management approach.

Awareness training provided to employees on water efficiency management programs

The company conducts regular awareness and training initiatives to strengthen employee understanding and participation in water efficiency, conservation and responsible water management practices across its manufacturing

facilities.

Key training and awareness programs include:

- **Water Conservation:** Understanding the importance of water conservation and practical ways to reduce water use.
- **Efficient Water Use:** Good practices for efficient water use in manufacturing operations and utilities.
- **Water Wastage Prevention:** Identifying and preventing avoidable water wastage during daily operations.
- **Leakage Identification & Reporting:** Identifying water leaks and promptly reporting them for corrective action.
- **Wastewater Recycling & Reuse:** Understanding treated wastewater reuse and opportunities to increase water recovery.
- **Responsible Water Management:** Good practices for responsible water use and management at the workplace.
- **Water Conservation Month:** Employee awareness activities on water conservation, including campaigns, toolbox talks, posters and site-level initiatives.
- **Employee Participation in Water Saving:** Encouraging employees to identify and report opportunities for water saving, reuse and reduction.





Water Consumption

Particulars	Unit	FY 2022-23	FY 2023-24	FY 2024-25*	FY 2025-26*	Target for FY 2025-26
A. Water withdrawal (excluding saltwater)	Million m3	0.394	0.416	0.418	0.433	
B. Water discharge (excluding saltwater)	Million m3	0.036	0.05	0.029	0.034	
C. Total Net Freshwater Consumption (A-B)	Million m3	0.358	0.366	0.389	0.389	0.5
Data Coverage	% of operations	100	100	100	100	

*SGS India Pvt. Ltd. has conducted Reasonable Assurance for the reported financial years.

Water Consumption in Water-Stressed Areas

Water consumption in areas with water stress (e.g. <1700 m3/ (person*year)	Unit	FY 2022-23	FY 2023-24	FY 2024-25*	FY 2025-26*	Target for FY 2025-26
Total net freshwater consumption in water- stressed areas (Total water withdrawals – Total water discharges)	Million m3	0.356	0.366	0.389	0.389	0.5
Data Coverage	% of operations	100	100	100	100	

*SGS India Pvt. Ltd. has conducted Reasonable Assurance for the reported financial years.

Business Impacts of Water-Related Incidents

Incidents	Currency	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total actual and opportunity costs (e.g. forgone income) from water-related incidents	INR	0	0	0	0

Water Risk Management Programs

Dependency & Impact-Related Risks

The company systematically incorporates water-dependency and security considerations into its corporate Enterprise Risk Management (ERM) framework to safeguard operational resilience and ensure responsible watershed stewardship:

Scope of Dependency Risks Assessed:

- **Water Availability & Sourcing:** Assessment of fluctuations in raw water availability, seasonal water scarcity, and localized depletion, with particular focus on facilities operating in baseline water stressed regions.
- **Operational Continuity:** Assessment of direct production vulnerability, potential downtime, and process disruptions resulting from restricted or degraded freshwater supplies.
- **Regulatory & Compliance Exposure:** Active tracking of legal water abstraction ceilings, local groundwater extraction guidelines, and environmental discharge permits across all operating jurisdictions. 100% compliance maintained across all manufacturing locations through updated water abstraction licenses, permits, and official No Objection Certificates (NOCs) from relevant regulatory authorities.

- **Periodic Risk Reviews:** Annual facility-wide water audits to continuously assess risk profiles, benchmark consumption patterns, and uncover high-impact conservation opportunities.
- **Zero Liquid Discharge:** Installation and operation of Zero Liquid Discharge (ZLD) systems at Ahmedabad and Sikkim facilities to eliminate untreated effluent discharge while maximizing internal water recycling and reuse.
- **Groundwater Depletion Mitigation:** Focused initiatives on reducing external freshwater withdrawals and reliance on local municipal/groundwater aquifers, ensuring long-term operational continuity against regional water security risks.

These measures have helped ZWL strengthen business resilience by ensuring reliable water availability and reducing the risk of operational disruptions from shortages and supply constraints.

Zydus systematically incorporates impact-related water risks into its Enterprise Risk Management (ERM) framework, evaluating the potential external environmental and social consequences of its operational water footprint on local

watersheds and shared community resources:

Scope of Shared Water Impact Risks Assessed:

- **Groundwater Depletion:** Assessing the impact of localized groundwater abstraction on regional water tables, agricultural security, and community freshwater availability.
- **Wastewater & Effluent Quality:** Assessment of downstream ecosystem, soil, and surface water risks associated with effluent discharge, applicable to the Aligarh facility. The other two major manufacturing facilities operate on a Zero Liquid Discharge (ZLD) basis, eliminating routine liquid effluent discharge.
- **Community Access & Social License to Operate:** Identifying potential water-stress conflicts and shared resource competition with surrounding communities in water-scarce catchments.
- **Pond Adoption & Groundwater Recharge Project:** Execution of a flagship community pond restoration and adoption initiative in Aligarh designed to harvest surface runoff, enhance natural aquifer recharge, and improve local water balance in the surrounding catchment.
- **Infrastructure-Led Rainwater Harvesting**

(Ahmedabad Facility) : Advanced-stage implementation of a comprehensive site-wide Rainwater Harvesting (RWH) infrastructure to capture stormwater, recharge localized aquifers, and reduce net regional water extraction.

- Zero Liquid Discharge (ZLD) Facilities: Operating ZLD facilities at key locations (Ahmedabad and Sikkim) to eliminate untreated industrial effluent discharge, safeguarding local surface water bodies and surrounding ecosystems from operational contamination.
- Net Positive Water Impact: Moving beyond risk mitigation by supporting community water resilience, groundwater replenishment, and long-term ecosystem health through responsible water stewardship.

Through these initiatives, ZWL aims to minimize operational water impacts while contributing to shared water security and long-term ecosystem sustainability.

Future Water Quantity

The company has conducted a comprehensive assessment of future water availability across its operational regions, considering:

- Climate Transition Strategy: Projected climate patterns, including rainfall variability and

long-term climate change impacts.

- Groundwater Availability: Regional groundwater levels, based on Central Ground Water Authority (CGWA) guidelines and relevant local hydrological studies.
- Water Demand Trends: Current and projected industrial water demand, considering the company's production growth and regional demand pressures.

The findings of the Climate Risk Assessments are being integrated into strategic water management planning and support the company's sustainability target of reducing freshwater consumption by 25% by 2030, increasing water recycling, and improving water-use efficiency. The assessment also enables the company to identify future water availability risks and implement measures to strengthen long-term water security and operational resilience.

Future Water Quality Risks

The company recognizes that future water quality-related risks may arise from industrial discharges, agricultural runoff, changing environmental conditions, and increasing pressure on regional water resources. To proactively address these risks, the company conducts comprehensive water risk assessments covering both water availability and water quality across its operational locations.

The assessment considers CGWA guidelines, local hydrological conditions, historical and current water quality monitoring data, regulatory requirements, and anticipated regional environmental trends. This enables the company to identify potential water quality risks that may affect operational water requirements as well as shared water resources and to implement appropriate preventive and mitigation measures.

Site-Level mitigation measures include:

- **Aligarh:** A separate STP has been installed to improve the quality of domestic wastewater treatment. The STP/filtration system has also been strengthened through overhauling and replacement of carbon and sand filters, supporting improved treated-water quality.
- **Ahmedabad:** The Zero Liquid Discharge (ZLD) system enables treated wastewater to be recovered and reused within the plant, minimizing discharge-related water quality risks. Additionally, separate STP and ETP streams have improved wastewater management and enabled the reuse of treated ETP water for toilet flushing and cooling tower applications, reducing freshwater consumption by approximately 10–12 KLD.
- **Sikkim:** The ETP and STP systems, supported by a three-stage RO-based ZLD system, enable high-quality treated water

to be recovered and recycled for utility applications, thereby reducing dependence on freshwater by ~10 KLD and minimizing potential impacts on receiving water bodies.

Water quality is continuously monitored against applicable regulatory standards, with identified risks and mitigation measures integrated into site-level environmental management. This approach supports regulatory compliance, protects shared water resources, and strengthens long-term water resilience.

Local Stakeholder Impacts

Zyduz Wellness recognizes that its water use and related activities may have potential impacts on local communities and other stakeholders sharing local water resources. The company therefore incorporates stakeholder perspectives into its water stewardship and risk management approach.

The ESG team conducts structured engagement and outreach program with nearby communities, Gram Panchayats, District Administrators (Deputy Commissioners), and Elected Representatives (MPs and MLAs) to understand stakeholder concerns, expectations, and potential impacts related to water availability, water quality, conservation, and resource sharing. These engagements are informed by

the company's assessment of key material issues and site-specific water risks.

Feedback received through these engagements is documented and considered in decision-making, particularly in identifying areas requiring intervention and prioritizing community-focused water conservation and operational improvement initiatives.

At the site level, the company implements interventions to address identified stakeholder and water-related impacts. For example, the Pond Adoption Project at Aligarh supports groundwater recharge, improves local water availability, and contributes to reducing pressure on shared water resources, thereby creating benefits for surrounding communities.

Through a multidimensional approach, Zyduz Wellness addresses community water needs through both corporate CSR initiatives and site-specific programmes, with a focus on improving access to clean and safe water for nearby communities. These interventions incorporate local community needs into strategic decisions and design the focused initiatives to strengthen community water security and long-term sustainability.

Regulatory Risks

Zyduz Wellness recognizes that evolving local and state-level water regulations, particularly in water-stressed regions, may impact its operations, water abstraction, consumption, discharge, and reuse practices. The company therefore incorporates regulatory monitoring into its water risk management approach to identify and prepare for potential future changes.

Key Actions include:

- The company regularly reviews applicable Central Ground Water Authority (CGWA), State Pollution Control Board (SPCB), and other local/state regulatory requirements to identify emerging requirements and assess their potential implications for operations.
- Potential regulatory developments are evaluated from the perspective of water abstraction, consumption, wastewater treatment, recycling, reuse, and discharge. Relevant requirements are incorporated into internal water management practices, operational controls, and sustainability plans.
- Recognizing the dynamic and increasingly stringent nature of water regulations at the state and local levels, sites periodically review their water management systems and implement necessary measures to maintain

- compliance and operational resilience.
- Wherever regulatory requirements are expected to become more stringent, the company evaluates opportunities to increase water efficiency, wastewater recycling and reuse, treatment capacity, and reduction of freshwater dependency, thereby reducing potential exposure to future regulatory constraints.

Through continuous regulatory monitoring, impact assessment, and proactive adaptation, Zydus Wellness aims to anticipate potential local regulatory changes, minimize compliance risks,

and maintain long-term operational resilience and responsible water stewardship.

Scope of Risk Assessment

Own operations: Comprehensive audits, flow meters, water efficiency programs, and rainwater harvesting adopted across facilities.

Supply chain: Vendor water risk assessment conducted for 50 suppliers in UP & Rajasthan, mapped under WRI Aqueduct (high to extremely high stress zones), with plans for stewardship programs.

Product use phase: The Company has assessed water-related risks associated with the consumer use phase of its products, including potential impacts on water availability, quality, and evolving regulatory expectations across key markets.

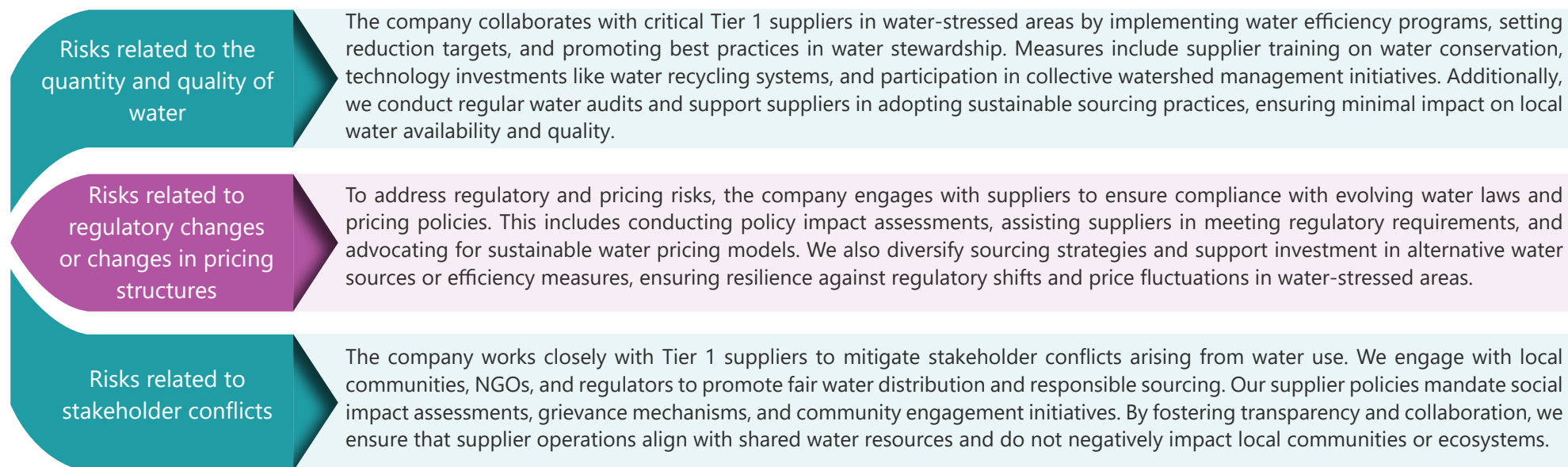
Exposure of Suppliers to Water Risks

Exposure of Suppliers to Water Risks	FY 2025-26
% of sourced agricultural commodities originating from water-stressed areas (e.g. <1700 m3/(person*year) or high, very high and severe)	
Cattle products	76-99%
Maize	100%
Palm Oil	0%
Rice	0%
Soy	0%
Sugar	100%
Tobacco	0%
Cotton	0%
Other, please specify	0%
% of Cost of goods purchased last FY (if applicable)	45%



Water Risks Management of Suppliers

The company collaborates with critical tier 1 suppliers located in water-stressed areas and covers the following risks:



Scope 1: GHG Emissions

Parameter	Unit	FY 2022-23	FY 2023-24	FY 2024-25*	FY 2025-26*	Target for FY 2025-26
Total Direct GHG emissions (Scope 1)	MT CO2e	6,650	31,304	7,813	10,658	12,000
Data coverage	% of operations	100	100	100	100	

*SGS India Pvt. Ltd. has conducted Reasonable Assurance for the reported financial years.

Scope 2: GHG Emissions

Total indirect GHG emissions (Scope 2)	Unit	FY 2022-23	FY 2023-24	FY 2024-25*	FY 2025-26*	Target for FY 2025-26
Location-based	MT CO2e	8,969	8,798	10,320	9,405	10,000
Market-based	MT CO2e	8,969	8,798	10,320	9,405	
Data coverage	% of operations	100	100	100	100	

*SGS India Pvt. Ltd. has conducted Reasonable Assurance for the reported financial years.

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

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

Scope 3: GHG Emissions

Scope 3 Category	Unit	FY 2025-26*	Emission Calculation Methodology
Category 1: Purchased Goods and Services	MT CO2e	1,11,258.83	US EPA Supply Chain GHG Emission Factors / USEEIO
Category 2: Capital Goods	MT CO2e	414.231	Average spend-based method: USEPA EEIO database (USD pegged to 2023 PPP)
Category 5: Waste Generated in Operations	MT CO2e	24.11	Waste Type-Specific Method: DEFRA 2024 Emission Factors Dataset
Category 6: Business Travel	MT CO2e	1,078.05	BT- UK Government GHG Conversion Factors (DEFRA)
Category 7: Employee Commuting	MT CO2e	1,517.12	Distance-Based Method: DEFRA 2024 Emission Factors Dataset
Category 13: Upstream Leased Assets	MT CO2e	1,164.62	Asset-Specific Method: CO2 Baseline Database for the Indian Power Sector (CEA) V19.0 December 2023
Category 9: Downstream Transportation & Distribution	MT CO2e	25,318.67	Spend-based method: USEPA EEIO database (USD pegged to 2023 PPP)
Total indirect GHG emissions (Scope 3)	MT CO2e	1,40,775.631	

*SGS India Pvt. Ltd. has conducted Limited Assurance for the financial year.

Climate Governance

Governance Structure	Roles & Responsibilities
Board Oversight	The CSR & ESG Committee, composed entirely of the Board of Directors, is responsible for shaping the strategic vision for ESG (Environmental, Social, and Governance) programs and commitments, which include climate-related issues.
CSR & ESG Committee	Responsibilities include: • Formulation and implementation of the company's climate strategy. • Monitoring and approving public climate-related disclosures in line with regulatory requirements and ESG standards. • Assessing climate-related risks and opportunities. • Reporting quarterly to the Board on climate, safety, environmental, and financial risks. Frequency: Climate issues are reviewed at least quarterly by the Board as part of the ESG agenda.
Management Responsibility	The CEO is directly responsible for the implementation of the company's Business Responsibility & Sustainability policies, including overseeing climate-related initiatives and ensuring alignment with board-approved strategies.
Steering Committee	Composed of Heads of Departments (HoDs) across key functions, the ESG Steering Committee aligns the company's ESG strategy with its vision and mission as directed by the CSR & ESG Committee. It is responsible for conducting stakeholder engagement, setting ESG KPIs and performance targets, and tracking progress on climate-related goals. The committee reviews internal and external ESG communications and presents recommendations to the board-level CSR & ESG Committee for approval.
ESG Leads	Mr. Ravindra Kumar Singh, ESG Lead - Monitors climate-related activities, oversee ratings and certifications, ensure coordination across internal teams.
ESG Working Council	Functional SPOCs execute on-ground climate-related programs, provide updates to the Steering Committee, and track compliance with regulations and internal SOPs.

For more details on Board oversight and management on climate-related risks and opportunities is detailed in our Climate Transition Strategy, refer pg. no. 9-10 <https://zyduswellness.com/wp-content/uploads/2026/04/Climate-Transition-Strategy-Rev2.0-Zydus-Wellness-Jan-2025.pdf>

TCFD Disclosure

Governance

Describe the board's oversight of climate related risks and opportunities.

The Board of Directors, through the CSR & ESG Committee, oversees climate-related risks and opportunities as part of its broader ESG responsibilities. The committee is directly responsible for approving the climate strategy, monitoring risks and opportunities, and aligning with TCFD recommendations.

Details of the committee's oversight are included in ZWL's Climate Transition Strategy.

Describe management's role in assessing and managing climate-related risks and opportunities.

Climate-related risks and opportunities are managed at the operational level by the ESG Steering Committee, which comprises key departmental heads. This committee ensures alignment of climate initiatives with strategic objectives, tracks performance against climate-related targets, and submits progress reports to the board committee for review. Details of the committee's oversight are included in ZWL's Climate Transition Strategy.

Strategy

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

Zydus Wellness Ltd. has identified key climate-related risks and opportunities as follows:

Short-Term Risks:

Physical risks like extreme weather events, including floods, cyclones, and rising temperatures, which can disrupt operations and supply chains.

Transition risks like regulatory compliance costs, particularly in water-scarce locations identified using WRI tools.

Medium-Term Risks:

Erratic precipitation and droughts impacting raw material availability (e.g., milk, sugar, oils) and production.

Higher costs due to the adoption of low-carbon technologies and resource-efficient practices.

Long-Term Risks:

Changing customer preferences and global climate policies necessitating low-GHG products, sustainable sourcing, and a circular economy approach.

Opportunities:

Renewable energy adoption and operational efficiency improvements.

Circular packaging systems and sustainable farming practices that improve brand positioning and ensure long-term supply chain stability. As included in ZWL's Climate Transition Strategy.

Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Zydus Wellness Ltd. integrates climate-related risks and opportunities into its strategy and financial planning to ensure resilience and competitiveness:

Business Impact:

Diversifying manufacturing locations to prevent operational disruptions caused by extreme weather events.

Enhancing supply chain resilience through long-term partnerships with critical suppliers and robust inventory management.

Strategic Impact:

Proactively adopting renewable energy (targeting 50% by 2030) and energy-efficient

technologies.

Implementing sustainable sourcing practices for key raw materials like milk and sugar to ensure availability.

Financial Impact:

Allocating a dedicated ESG budget to fund climate-related initiatives like compliance upgrades, renewable energy projects, and resource efficiency technologies.

Achieving cost savings through energy and water efficiency improvements across all operations.

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Zydus Wellness Ltd. ensures the resilience of its strategy through scenario analysis, including a 2°C or lower scenario:

2°C or lower scenario:

Aligning with global targets by implementing renewable energy, reducing Scope 1 and 2 emissions, and adopting low-carbon logistics. Complying with stricter regulations and achieving cost savings through energy efficiency initiatives.

High-Impact Climate Scenarios:

Enhancing resilience during floods and landslides with GIS mapping, alternate transportation routes, and diversified sourcing. Mitigating risks of cyclones and water scarcity by investing in cyclone-resistant infrastructure, rainwater harvesting systems, and water-efficient manufacturing practices.

General Mitigation Strategies:

Strengthening business continuity plans through distributed manufacturing and predictive analytics for supply chain management. Scaling up sustainability investments in renewable energy and biodiversity conservation initiatives.

Maintaining inventory buffers and third-party manufacturing locations to ensure operational continuity during disruptions. These strategies are included in ZWL's Climate Transition Strategy. for a robust adaptation and mitigation approach.

Risk Management

Describe the organization's processes for identifying and assessing climate-related risks.

Zydus Wellness Ltd. employs a structured approach to identify and assess climate-related risks through the following processes:

Physical Risk Management:

Utilizes climate risk modelling tools to identify high-risk and vulnerable areas across its operations, supply chains, and infrastructure. Plan to conduct detailed risk assessments, evaluating physical risks such as floods, droughts, cyclones, and heatwaves, with a focus on identifying their potential impact on operations, supply chains, and raw material availability.

Implements site-specific climate risk assessments, particularly for plants in high-risk zones like Sikkim (prone to landslides and earthquakes) and Aligarh (susceptible to water scarcity).

Stakeholder Collaboration:

Engages with local communities and suppliers to identify shared risks, especially regarding water availability and extreme weather events. Conducts regular discussions with the ESG Steering Committee and Working Council to monitor evolving climate risks.

Annual Audits:

Performs annual climate risk audits at all manufacturing sites to evaluate current vulnerabilities and identify potential improvements. More details included in ZWL's Climate Transition Strategy.

Describe the organization's processes for managing climate-related risks.

Zyodus Wellness Ltd. manages climate-related risks through a combination of proactive strategies and mitigation measures to ensure resilience across its operations and supply chains. These efforts focus on water stewardship, renewable energy adoption, infrastructure investments, and sustainable supply chain practices.

Water Stewardship:

Implements rainwater harvesting at Aligarh, Ahmedabad, and Sikkim to reduce dependency on freshwater resources.

Reuses treated ETP/STP water for landscaping, gardening, and non-potable uses across all sites. Promotes water conservation practices, including reusing steam condensate water at Aligarh.

Renewable Energy Transition:

Investments in 2MW solar power at the Aligarh plant showcase ZWL's commitment to renewable energy adoption. The initiative fulfils over

54.32% of the plant's power needs, contributing to the company's long-term goal of achieving 50% renewable energy usage by 2030.

Actively exploring renewable energy procurement opportunities at the Ahmedabad plant to further reduce its carbon footprint and energy intensity.

Sustainable Supply Chain Resilience:

Maintains diversified sourcing networks for critical raw materials like sugar, milk, cocoa, and palm oil to ensure availability during extreme weather events.

Establishes strategic inventory buffers for high-risk seasons to minimize supply chain disruptions.

Builds alternate supplier networks for forest-risk commodities like cocoa powder and palm oil to mitigate risks associated with deforestation and environmental challenges.

Milk Procurement and Community Development:
Collects 4 lakh Liters of milk daily through 36 strategically located milk collection centers in and around Aligarh, directly engaging with 25,000 farmers.

Organizes 25 Dairy Development Camps annually to educate farmers on sustainable dairy practices, disease prevention, and animal care, while providing resources like free medicines, mineral mixtures, and deworming treatments. Operates a farmer helpline to address queries related to dairy farming and builds capacity in

sustainable dairy practices.

Infrastructure Investments:

Constructs cyclone-resistant facilities and flood protection systems at plants to minimize disruptions caused by extreme weather events. Retrofits earthquake-prone sites, such as the Sikkim plant, with seismic-resistant infrastructure to ensure operational continuity.

Business Continuity Planning:

Develops and regularly updates business continuity plans using predictive analytics to address disruptions from climate-related risks. Includes alternate transportation routes and GIS mapping for enhanced logistics planning.

Long-Term Sustainability Investments:

Scaling up investments in biodiversity conservation initiatives and renewable energy projects.

Focuses on reducing environmental risks while driving operational efficiency and community development.

More details included in ZWL's Climate Transition Strategy.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Climate-related risks are seamlessly integrated into Zydus Wellness Ltd.'s enterprise risk management framework to ensure a holistic approach:

Governance Structure:

The ESG Steering Committee, comprising senior management, collaborates with the CSR & ESG Committee at the board level to ensure climate risks are prioritized within the overall risk management strategy.

Updates on climate risks are shared quarterly with the Risk Management Committee, ensuring alignment with the company's financial and operational risk assessments.

Integrated Assessments:

Climate-related risks are assessed alongside operational, financial, and regulatory risks to provide a comprehensive view of vulnerabilities. The use of IoT-enabled systems for real-time monitoring of energy, water, and emissions integrates climate risk metrics into the broader risk management process.

Proactive Monitoring:

Predictive analytics and GIS mapping are used to monitor high-risk zones and anticipate potential

disruptions.

Regular scenario analyses, including 2°C and lower scenarios, are conducted to evaluate the resilience of the organization's strategy and identify adaptive measures.

Performance Metrics and KPIs:

Climate-related KPIs, such as water and energy efficiency targets, are tracked under the ESG framework to ensure progress aligns with the company's risk mitigation goals.

Metrics & Targets

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

ZWL assesses climate-related risks and opportunities through specific KPIs and metrics that align with its energy, water, emissions, and waste management goals.

The organization tracks energy consumption (Kwh/MT), water consumption (KL/day), Scope 1, 2, and 3 GHG emissions, and waste reduction targets to ensure alignment with its sustainability strategy. These metrics are regularly monitored and reviewed to measure performance and identify areas for improvement, ensuring continuous alignment

with its strategic goals, as included in ZWL's Climate Policy.

More details included in ZWL's Climate Transition Strategy.

Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

ZWL publicly discloses Scope 1 and Scope 2 emissions across its operational sites. Additionally, the company is working to expand its disclosure of Scope 3 emissions associated with its supply chain and product lifecycle. Identified risks include regulatory changes, reputational risks, and operational risks tied to climate change. These disclosures provide transparency and help in managing climate-related risks effectively, as included in ZWL's Climate Transition Strategy.

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

ZWL has set both short-term and long-term targets to manage climate-related risks and seize opportunities. Examples include:

Energy Efficiency: A short-term target of 3-5% energy reduction across sites and a long-term goal of achieving 50% energy savings by 2030

with 50% renewable energy adoption.

Water Stewardship: Short-term targets include a 5-10% reduction in water usage, and a long-term goal to reduce freshwater consumption by 25% by 2030.

Scope 1 & 2 Emissions: Long-term goals include reducing direct emissions by 50% by 2030 and achieving carbon neutrality by 2040.

Sustainable Supply Chain: A commitment to ensuring 100% of critical suppliers adhere to ZWL's sustainability standards. These targets are tracked, and performance is evaluated annually to ensure alignment with climate strategies, as included in ZWL's Climate Policy. More details included in ZWL's Climate Transition Strategy.



Climate-Related Management Incentives

To ensure accountability & align organizational goals with climate-related targets, Zydus Wellness Ltd. integrates climate performance metrics into its incentive structure. Employees across various levels of the organization, from business unit managers to operations staff, are incentivized through individual Key Performance Indicators (KPIs) tied to climate-related goals. These incentives are designed to drive energy efficiency, renewable energy adoption, & operational improvements, fostering a culture of sustainability & continuous improvement.

Beneficiaries of Incentives	Type of Incentive	Description of Incentivized Climate KPIs
Business Unit Managers	Monetary	Energy Reduction Initiatives: Assigned individual KPIs focused on energy reduction. These KPIs influence their variable pay (bonus), with weightages defined by management to reflect performance.
Plant Heads & Named Executives	Monetary	Renewable Energy Adoption: Plant heads have KPIs aimed at increasing renewable energy usage. Their variable pay (bonus) is tied to achieving these targets, with specific weightages set by management.
Production & Operations Employees	Monetary	Operational Efficiency Improvements: KPIs assigned to improve production efficiency & reduce resource use. Achievement of these KPIs is linked to variable pay (bonus), encouraging sustainable operations.

Climate Risk Management

Zydus Wellness Ltd. integrates climate-related risks & opportunities into its centralized enterprise risk management framework as outlined in the ZWL Risk Management Policy & Procedures. This comprehensive approach encompasses strategic, operational, financial, & compliance domains to ensure resilience & sustainability across all operations. The framework leverages robust monitoring systems, predictive analytics, & stakeholder engagement strategies to proactively address climate-related risks & seize opportunities. Detailed risk identification, mitigation, & monitoring processes are systematically guided by the Risk Management Policy, ensuring informed decision-making at every level of the organization.

The process incorporates detailed assessments, stakeholder collaboration, & regular audits to identify & manage potential impacts on operations, supply chains, & infrastructure.

Our Risk Categories and Types Include:

Physical Risks:

- Acute: Short-term risks from extreme weather (floods, cyclones, landslides) impacting operations and supply chains. Mitigated through multi-site manufacturing, emergency response systems, and logistics adaptation.
- Chronic: Long-term risks like rising temperatures, water stress, and sea level rise. Managed via water recycling, renewable energy, and diversified sourcing.

Value Chain Coverage

- Own operations
- Upstream (supplier activities)
- Downstream (clients and product impact)

Time Horizons

- Short-term (2-4 years): Cost savings from renewable energy, packaging reduction, and increased sustainable product demand.
- Medium-term (5-7 years): Revenue growth, compliance cost avoidance, and logistics cost efficiency.
- Long-term (8-10 years): Operational resilience via supply chain diversification and disaster-proof infrastructure.

Transition Risks

- Current Regulation: Compliance with environmental laws (e.g., ZLD, audits) through regulatory alignment and third-party verification.
- Emerging Regulation: Future policy changes (e.g., carbon standards) addressed via proactive adaptation and renewable energy projects.
- Technology Risk: Integration of emerging technologies (e.g., renewable energy, carbon capture) to maintain sustainability.
- Legal Risk: Non-compliance and litigation risks mitigated via robust compliance, third-party audits, and regulatory alignment.
- Market Risk: Shifts in consumer preferences and price volatility tackled through sourcing diversification and sustainable product alignment.
- Reputational Risk: Stakeholder perception risks managed via transparent reporting and adherence to global standards.

Opportunities & Actions Identified

- Energy Efficiency: Process optimization, HVAC improvements, and solar projects.
- Renewable Energy Transition: Scaling up to 50% renewables by 2030.
- Sustainable Supply Chain: Diversified sourcing for high-risk materials.
- Water Stewardship: Rainwater harvesting and optimized water use.
- Product Innovation: Eco-friendly designs and sustainable formulations.
- Market Differentiation: Aligning with sustainability trends to attract conscious consumers and investors.
- Infrastructure Resilience: Disaster-resistant manufacturing facilities.
- Biodiversity Conservation: Local partnerships for conservation efforts.

This assessment ensures climate resilience across operations, regulatory compliance, and market leadership.

Financial Risks of Climate Change

To ensure accountability & align organizational goals with climate-related targets, Zydus Wellness Ltd. integrates climate performance metrics into its incentive structure. Employees across various levels of the organization, from business unit managers to operations staff, are incentivized through individual Key Performance Indicators (KPIs) tied to climate-related goals. These incentives are designed to drive energy efficiency, renewable energy adoption, & operational improvements, fostering a culture of sustainability & continuous improvement.

Question	Answer
We have identified climate change-related risks with potential impact. Here is the financial impact for the most significant risk from each category	
Brief description of the most significant risk and methods used to manage this risk	Extreme heat and water stress impact milk procurement in Aligarh, resulting in production slowdowns. Seasonal changes also affect the availability of cocoa, sugar and palm oil, disrupting supply chains. ZWL mitigates these risks by diversifying sourcing regions, optimizing procurement strategies, and maintaining buffer stocks.
Estimated financial implications of the risk before acting	Approximately ₹18-20 Crores annually, based on raw material cost inflation and production delays. This estimate accounts for cocoa price increases (15%), palm oil variability (12%), and milk shortages impacting Aligarh operations.
Average estimated time frame (in number of years) for financial implications of this risk	5-7 years, based on projected climate patterns and their impact on agricultural supply chains.
Estimated costs of these actions	₹3-5 Crores annually, allocated toward supplier diversification, alternative sourcing strategies, and buffer stock management.
Risks driven by change in physical climate parameters or other climate-change related developments	
Brief description of the most significant risk and methods used to manage this risk	Landslides, earthquakes, and extreme weather events disrupt supply chains and operations, particularly at Sikkim. For example, the October 2023 disaster resulted in 10% lost production and additional losses due to raw material transportation challenges. These risks are compounded by chronic factors like water stress and extreme heat impacting procurement for key raw materials such as cocoa, sugar, and palm oil. ZWL employs proactive measures, including alternate supplier networks, enhanced storage capacities, and climate-resilient infrastructure to minimize such disruptions.
Estimated financial implication of the risk before acting	₹28 Crores

Average estimated time frame (in number of years) for financial implications of the risk	7 years
Estimated costs of these actions	₹4-6 Crores annually, Allocated for: • Strengthening supply chain resilience. • Infrastructure updates in high-risk zones (e.g., Sikkim). • Emergency response and recovery plans.
We have conducted an analysis of our climate change risk, but our company is not exposed to climate change risks that have the potential to generate a substantive change in business operations, revenue, or expenditure.	Not Applicable



Financial Opportunities Arising from Climate Change

Description	In response to climate change impacts, ZWL has identified significant opportunities stemming from the growing demand for seasonal products like Glucon-D and Nycil, driven by extreme heat and temperature fluctuations. Last year, Glucon-D experienced a 1.7X surge in demand, while Nycil's demand grew by 2X during periods of extreme summer temperatures, showcasing strong growth potential for these brands.
Annual financial positive implications of this opportunity	₹55 Crores
Time frame (in number of years) for positive financial implications of this opportunity	10 years
Annual costs associated with developing this opportunity	₹5 Crores annually: • Marketing and Advertising: Around ₹3 Crores allocated towards seasonal campaigns to boost brand visibility and consumer engagement. • Supply Chain Flexibility: ₹2 Crore invested in inventory adjustments and distribution strategies to ensure product availability during peak demand periods.

Climate-Related Scenario Analysis

Scenario Type	2°C or below 2°C	Above 2°C
Transition Scenario	• IEA NZE 2050 • IEA APS (or nationally determined contributions, NDCs)	• IEA STEPS (previously IEA NPS)
Physical Scenario	RCP 2.6 (or SSP1 2.6)	RCP 8.5 (or SSP5 8.5)

For more details refer to our Climate Transition Strategy on pg. no 13 -

<https://www.zyduwellness.com/investor/Climate-Transition-Strategy-Rev2.0-Zydu-Wellness-Jan-2025.pdf>

Physical Climate Risk Adaptation

Question	Answer
Specific plan to adapt to physical climate risks in existing and/or new operations	ZWL has implemented context-specific climate adaptation strategies across operations. These include: • Flood Risk Adaptation: Infrastructure upgrades in flood-prone regions, such as Sikkim, with elevated storage, drainage systems, and diversified supply chains. • Heat and Water Stress Adaptation: Measures for sustainable water resource management, including rainwater harvesting, waste-water recycling (ETPs), and climate-controlled dairy facilities to address heat stress on milk supply. • Land and Transportation Risks: Emergency response systems and GIS mapping for landslides and supply chain disruptions.
The risk assessment and plan to adapt to physical climate risks cover the following share of our existing operations (Percentage of total revenues)	75–80% of revenue is linked to operations covered by these measures.
The plan includes a target to implement relevant adaptation measures within the following timeline for existing operations	5 to 10 years for full deployment across affected sites.
The risk assessment and plan to adapt to physical climate risks cover the following share of our new operations (Percentage of new operations):	100%
Overall plan to adapt to potential physical climate risks.	Climate Transition Strategy encompasses a company-wide framework for physical risk adaptation. This includes: • Diversification of manufacturing and sourcing locations to reduce reliance on single geographies. • Implementation of ESG-aligned practices, such as renewable energy transitions and sustainable raw material sourcing.
The plan includes a target to implement relevant adaptation measures within the following timeline	5 to 10 years

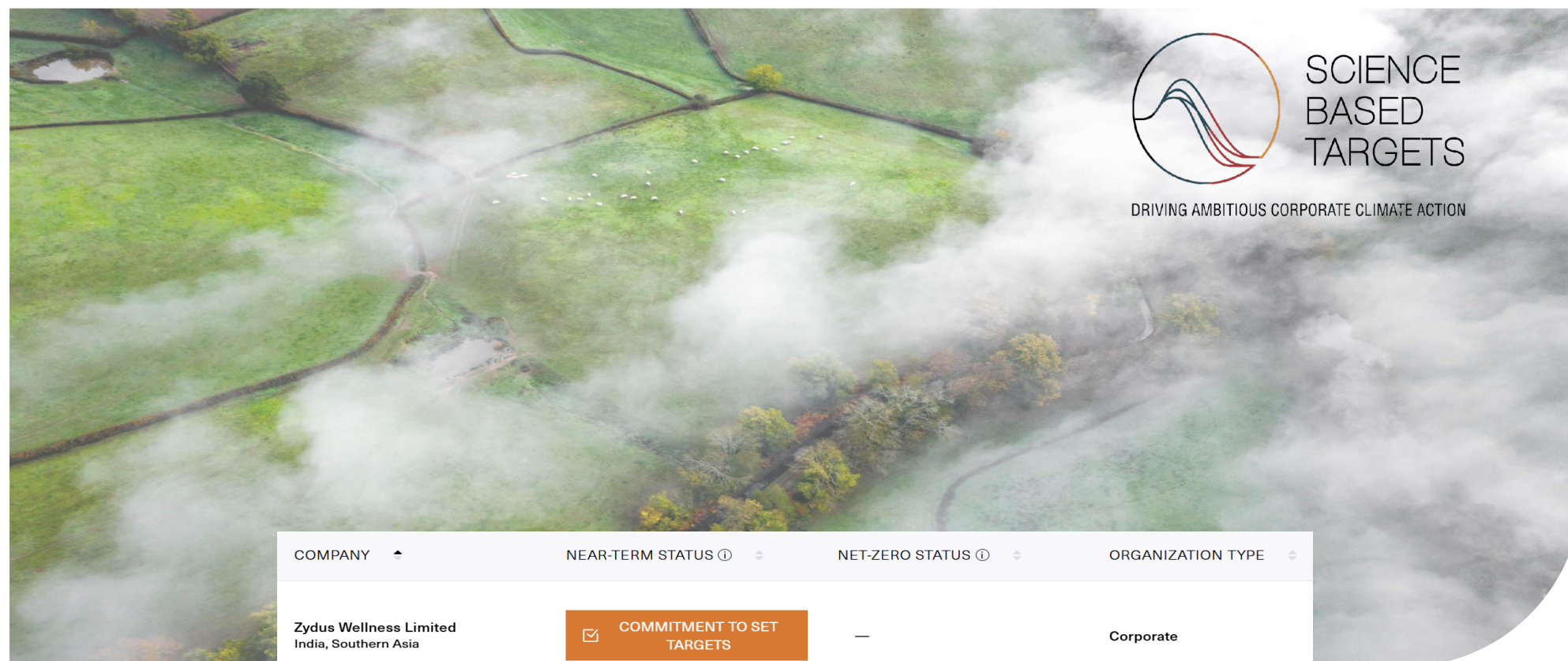
For more details refer to our Climate Transition Strategy on -

<https://www.zyduswellness.com/investor/Climate-Transition-Strategy-Rev2.0-Zydus-Wellness-Jan-2025.pdf>

Emissions Reduction Targets

Scope covered by the Absolute target	Target Timeframe	Baseline year emissions covered	% Reduction target from base year	Is the target validated by Science-Based Targets initiative?
Scope 1 & 2 (In MTC02e)	Base year: FY 2021-22 Target year: FY 2030	Base year emissions: 21,551 % Of total base year emissions: 100%	50%	No, but we have publicly committed to seek validation to the target by the SBTi

Our near-term emission reduction targets are formally recognized as SBTi-committed and we are in process seek validation to the target by the SBTi.



SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

COMPANY	NEAR-TERM STATUS	NET-ZERO STATUS	ORGANIZATION TYPE
Zydus Wellness Limited India, Southern Asia	☒ COMMITMENT TO SET TARGETS	—	Corporate

Net-Zero Transition Plan

Zydus Wellness has published a Climate Transition Strategy outlining its roadmap toward a low-carbon and climate-resilient business. The strategy is supported by Board and management oversight, climate-risk and scenario analysis, measurable environmental targets and defined decarbonization actions across operations and the value chain. The Company aspires to achieve carbon-neutral operations by 2040 and has established 2030 goals, against an FY 2021-22 base year, including a 50% reduction in greenhouse gas emissions from direct operations, a 50% improvement in energy efficiency and a 50% renewable-energy share. The transition pathway includes renewable-energy adoption, cleaner fuels, energy-efficiency and process improvements, internal carbon pricing, sustainable product and packaging innovation, logistics optimization, responsible sourcing, supplier ESG engagement and enhanced Scope 3 emissions accounting. The Climate Transition Strategy also recognizes just-transition considerations, including potential human-rights and socioeconomic impacts on workers, communities and vulnerable stakeholders.

Zydus Wellness has formally committed its near-term Scope 1 and Scope 2 emission-reduction

targets to the Science Based Targets initiative (SBTi) in alignment with a 1.5°C pathway.

1. Alignment with the Paris Agreement goal of limiting global warming to 1.5°C

Zydus Wellness recognizes that action in line with the goals of the Paris Agreement is essential to addressing climate change and supporting sustainable development. The Company's Climate Transition Strategy establishes a roadmap for progressively transitioning its operations and value chain toward a low-carbon model. As part of this roadmap, Zydus Wellness has formally committed its near-term Scope 1 and Scope 2 greenhouse gas emission-reduction targets to the Science Based Targets initiative with a 1.5°C pathway. The Company has also undertaken TCFD-aligned climate scenario analysis using pathways developed by the International Energy Agency and the Network for Greening the Financial System to assess physical and transition risks and inform operational mitigation plans. The Company is working towards establishing a net-zero target, supported by its climate transition roadmap and ongoing decarbonization initiatives. As an interim step, the Company aspires to achieve carbon-neutral operations by 2040 and has

formally committed its near-term Scope 1 and Scope 2 emission-reduction targets to SBTi in alignment with a 1.5°C pathway.

2. Quantified target for investments or funding to implement the transition plan

Zydus Wellness integrates environmental considerations into capital allocation and has introduced internal carbon pricing to embed the cost of carbon into investment decisions. The Company reports ₹240 million capital expenditure during FY 2025-26 for infrastructure, technology upgrades and sustainable operations. We are strengthening the financial framework in phased manner supporting its climate transition plan by integrating climate considerations and internal carbon pricing into capital allocation. Building on its ongoing investments in sustainable operations, the Company is working towards defining a quantified, time-bound investment target for implementing its transition priorities.

3. Planned key actions or decarbonization levers: Scope 1

Zydus Wellness' Scope 1 decarbonization approach focuses on reducing emissions

from fuels and operational processes across its manufacturing facilities. The Company is progressively increasing the use of cleaner and renewable fuels, including biomass briquettes and husk, improving process and equipment efficiency and implementing energy-saving projects across operational locations. Additional measures include operational monitoring, process optimization, cleaner-fuel adoption, energy-efficient technologies, preventive and predictive maintenance, real-time utility monitoring and integration of climate considerations into capital allocation through internal carbon pricing. The Company has established annual internal benchmarks to reduce emissions and monitors progress through its greenhouse gas inventory and ESG governance mechanisms. During FY 2025-26, green fuels contributed 85.4% of the fuel mix in manufacturing operations. These initiatives support the Company's reported goal of reducing greenhouse gas emissions from direct operations by 50% by 2030, against FY 2021-22 as the base year.

4. Planned key actions or decarbonization levers: Scope 2

Zyduz Wellness' Scope 2 decarbonization plan

focuses on increasing renewable electricity, reducing electricity consumption through efficiency improvements and progressively replacing grid-based electricity with lower-carbon alternatives. Key measures include solar installations, green-power procurement - 2 MW solar power purchase agreement for the Aligarh facility and power purchase agreement to generate 1.50 MW of solar power for Ahmedabad facility, energy-efficient equipment, digital monitoring of utilities and processes and expansion of renewable-energy sourcing across operational locations. The Company has established a target to achieve a 50% renewable-energy share and a 50% improvement in energy efficiency by 2030, against the FY 2021-22 base year. During FY 2025-26, 71% of total energy consumption was sourced from renewable energy, including solar and wind power and bio-based fuels. The Company also reported an approximately 8.9% reduction in Scope 2 emissions in FY 2025-26 compared with FY 2024-25.

5. Planned key actions or decarbonization levers: Scope 3

Zyduz Wellness is progressively strengthening the management of value-chain emissions by

expanding its Scope 3 greenhouse gas inventory, engaging suppliers on ESG performance and integrating sustainability considerations into sourcing, logistics, packaging and product development. During FY 2025-26, the Company expanded its Scope 3 inventory from five to seven categories by incorporating purchased goods and services and business travel. With inclusion of two additional reporting categories the company has covered all the hotspots. The reported inventory also covers relevant categories such as capital goods, waste generated in operations, employee commuting, upstream leased assets and downstream transportation and distribution. Scope 3 levers include supplier ESG assessments, sustainable raw-material sourcing, logistics and route optimization, alternative-fuel vehicles – higher tonnage capacity vehicles, packaging material reduction and substitution, recyclable packaging development, waste reduction, product-emission management and engagement with suppliers and farmers.

6. Engagement with stakeholders: Value chain

Zyduz Wellness engages with suppliers, farmers, distributors and other value-chain partners to support implementation of its sustainability and

climate objectives. The Company has integrated a structured ESG checklist into its Supplier Qualification Audit, covering 30 ESG parameters across raw material suppliers, packaging suppliers, service providers, transporters and third-party manufacturing facilities. Suppliers with identified gaps are expected to submit time-bound corrective action plans and are supported through guidance, follow-ups and capacity-building engagement. The Company also engages with its dairy value chain through approximately 38 milk collection centers and farmer-development programmes addressing animal health, nutrition, productivity, sustainable dairy practices, clean-water practices and rural livelihood development.

7. Engagement with stakeholders: Industry peers or relevant associations or initiatives

Zydus Wellness engages with relevant global climate initiatives and frameworks to strengthen the scientific basis, transparency and accountability of its climate transition approach. The Company has formally committed its near-term Scope 1 and Scope 2 emission-reduction targets to the Science Based Targets initiative, with the reported targets aligned with a 1.5°C pathway. The Company has also adopted the Task Force on Climate-related Financial Disclosures framework and uses climate scenarios developed by the International Energy

Agency and the Network for Greening the Financial System to assess physical and transition risks. These initiatives inform the Company's climate-risk assessment, emissions targets, mitigation planning and public disclosures.

8. Engagement with stakeholders: Government, public sector or civil society

Zydus Wellness maintains structured engagement with government and regulatory authorities, communities and other public stakeholders on regulatory developments, environmental compliance, sustainable development and community priorities. Engagement channels include official communications, statutory filings, meetings, conferences, industry representations and interactions through industry associations. The Company also engages with communities through the Zydus Foundation and community-development programmes, including initiatives supporting farmer livelihoods, health, nutrition, water practices and capacity building. Insights from stakeholder engagement and materiality assessments are incorporated into the Company's ESG priorities, risk-management framework and sustainability initiatives, supporting the broader transition toward resilient and environmentally responsible operations.

9. Assessment of social implications and corresponding actions

Zydus Wellness recognizes that the transition to a low-carbon economy may create social and human-rights implications for workers, communities, suppliers, farmers and other stakeholders. The Climate Transition Strategy expressly acknowledges responsibility for supporting a just transition by considering the human-rights risks and impacts of climate change, as well as the potential impacts of mitigation and adaptation measures on people, particularly vulnerable stakeholders. Corresponding actions include engagement and capacity building across the value chain, responsible sourcing, supplier ESG assessments, support for farmer livelihoods, dairy-development programmes, community engagement, employee capability development and measures promoting safe, inclusive and fair working conditions. The sustainability approach links low-carbon growth with food security, livelihoods, community resilience, responsible sourcing and human-rights protection.

Biodiversity Risk Assessment

ZyduS Wellness has undertaken comprehensive biodiversity risk assessments across all its manufacturing facilities, including Ahmedabad, Aligarh, and Sikkim. This initiative reflects the company's commitment to environmental stewardship and sustainable operations. By assessing biodiversity dependencies and impacts at each site, ZyduS Wellness aims to mitigate risks, enhance ecosystem services, and align its practices with global and national biodiversity frameworks. These assessments are integral to fostering long-term ecological balance while supporting the company's broader sustainability goals.

Particulars	Description
Q1. Process Description	
Process Steps	The biodiversity risk assessment process steps include: 1. Baseline Study: Identification and classification of floral and faunal species within core and buffer areas, emphasizing endangered and threatened species 2. Impact Assessment: Evaluating the effects on biodiversity from habitat loss, pollution, invasive species, and resource depletion 3. Dependency Analysis: Using the Ecosystem Services Review tool to identify critical dependencies on ecosystem services 4. Mitigation Strategies: Applying the mitigation hierarchy (Avoidance, Minimization, Restoration, and Biodiversity Offsets) to address identified impacts 5. Action Planning: Developing strategies like invasive species management, greenbelt enhancement, and pollinator habitats 6. Monitoring and Reporting: Continuous biodiversity monitoring and reporting aligned with global frameworks
Location-Specific Approach	Stratified sampling of habitats in the core and buffer areas around the manufacturing facility, with habitat-specific assessments
References to Frameworks	TNFD (Taskforce on Nature-Based Financial Disclosures), Ecosystem Services Review Tool by WRI and WBCSD, Shannon-Wiener, and Simpson's Diversity Indices
Integration into Risk Management	Biodiversity management aligns with company-wide ESG frameworks, including Business Responsibility and Sustainability Reporting (BRSR)
Dependency-Related Risks	Freshwater, air quality, and climate regulation are critical dependencies, with high reliance on ecosystem services like pollination

Impact-Related Risks	Risks include the presence of invasive species, habitat disturbance due to noise, and potential water depletion issues
Q2: Scope of Biodiversity Risk Assessment	
Own Operations	Direct impacts assessed for the core facility include invasive species and water use
Adjacent Areas	Buffer zones studied include industrial, agricultural, and scrubland ecosystems, with significant anthropogenic influence
Upstream Activities	Focus on managing external sources of invasive species and water regulation
Downstream Activities	Limited coverage of downstream biodiversity risks, though some references to local ecosystem services are present
Q3: Risks Identified	
Biodiversity-Related Risks Identified	Biodiversity loss is recognized as a significant risk, with mitigation strategies outlined by the company. Key risks identified include noise impacts, water depletion, and invasive species dispersal.

Biodiversity Exposure & Assessment

Particulars	Number of sites	Area (Hectares)
a) Overall		
What is the total number and the total area of your own operational sites?	3 (Ahmedabad, Aligarh, Sikkim)	Ahmedabad & Aligarh: 200 hectares Sikkim: 500 hectares
b) Assessment		
Have you conducted biodiversity impact assessments for your own operational sites?	3	
c) Exposure		
Of the sites assessed, how many sites have a significant biodiversity impact, or are in proximity to critical biodiversity, and what is the total area of these sites?	None of the sites are in close proximity to any critical habitat. The site located in Ahmedabad and Aligarh are surrounded by extensively modified habitats. The Sikkim site is surrounded by forest area, however it is not located near any critical habitat, viz., protected areas, reserve forest, Key Biodiversity areas, National Park, Sanctuary or any other Biosphere reserve.	Nil

d) Management plans

Of those sites that have a significant biodiversity impact, or are in proximity to critical biodiversity, how many sites have a biodiversity management plan, and what is the total area of these sites?

No significant impacts on biodiversity were observed at any of the plant areas. However, a biodiversity management plan has been developed for minor impacts observed at the site. Additionally, strategies have been adopted to increase awareness and enhance the biodiversity in the plant.

Nil

Biodiversity Mitigating Actions

Particulars	Description
Avoid	Emissions from operations and reduce vehicular movement to prevent collision with wildlife and fugitive emissions.
Reduce	Plantation of invasive species.
Regenerate	Current population of invasive species.
Restore	Green belt to be restored through removal of invasive species and plantation of native species.
Transform	Disposal of debris/solid waste within plant premises.

Please find our biodiversity reports of all sites available

https://zyduswellness.com/wp-content/uploads/2026/09/Bio-Diversity-Report_Zydus-Wellness_Ahmedabad_Rev.-Jan-2026.pdf

https://zyduswellness.com/wp-content/uploads/2026/09/Bio-Diversity-Report_Zydus-Wellness_Aligarh_Rev.-Jan-2026.pdf

https://zyduswellness.com/wp-content/uploads/2026/09/Bio-Diversity-Report_Zydus-Wellness_Sikkim_Rev.-Jan-2026.pdf



Sustainable Agriculture Commitment

1 ▶ Programs to reduce water consumption

- Awareness sessions for farmers on the role and importance of clean and sufficient water in animal diet and health.
- Training through Dairy Development Camps on efficient water use for maintaining stress-free, healthy livestock environments.

2 ▶ Programs to reduce environmental pollution

- Promotion of sustainable dairy farming practices through 25 annual Dairy Development Camps.
- Distribution of mineral mixtures and free deworming medicines to improve animal health, reducing the risk of contamination and resource wastage.

3 ▶ Programs to protect soil health

- Encouraging balanced animal nutrition with mineral mixtures, reducing excessive dependency on chemical-based supplements.
- Capacity building for farmers on sustainable dairy farming practices, promoting eco-friendly resource use.

4 ▶ Programs to prevent the destruction of ecosystems

- Farmer training on animal disease prevention and vaccination, reducing risk of livestock mortality and over-exploitation of local resources.
- Promotion of responsible sourcing through a transparent and traceable milk procurement system.

5 ▶ Programs to reduce GHG emissions

- Focus on improving animal productivity through preventive healthcare (vaccinations, deworming, infertility treatments), reducing methane intensity per litre of milk.
- Training farmers on better animal husbandry and feeding practices to optimize milk yield with lower environmental impact.

6 ▶ Other Community Development & Livelihood Enhancement

- Direct engagement with 80,000 farmers through 36 milk collection centres, ensuring fair and timely payments.
- Organizing 25 annual Dairy Development Camps for farmer awareness and capacity building.
- Farmer helpline to address dairy-related queries and support adoption of best practices.
- Launch of the Doodh-Shakti Initiative to provide holistic support in animal husbandry, nutrition, milk handling, and productivity enhancement, improving both livelihoods and supply chain sustainability.

Doodh Shakti Programs:

<https://zyduswellness.com/brands/asia/as-nutralite/>

<https://www.youtube.com/watch?v=Q4sZ9gWm9Uk>



Certifications of Agricultural Crops

Agricultural Crop	Amount (metric tonnes)	Certification or accreditation	Type of certification	Percentage of certified crops
Palm Oil	10,926	Roundtable on Sustainable Palm Oil (RSPO)	Leading certification	95.00%
Sugar	14,111	BonSucro	Leading certification	23.00%
Cocoa	246	Rainforest Alliance incl. UTZ	Other Recognized Certification	71.89%

We aim to strengthen traceability and credibility of our agricultural sourcing through certified sustainable vendors. For further details on our commitment kindly refer to our sustainable sourcing policy - <https://zyduswellness.com/wp-content/uploads/2026/05/Sustainable-Sourcing-Policy.pdf>

Certifications of Animal Products

Animal Products	Certification or accreditation	Coverage (in terms of dairy products certified/accredited as a % of total dairy sourced/produced)	Company's level of exposure to dairy products
Dairy products	FSSAI Certified	100%	>25% of annual production volume

At Zydus Wellness, dairy is the only form of animal product we source. All our milk collection centers, and milk suppliers are FSSAI-certified in full compliance with Indian food safety regulations. We ensure that stringent quality and safety standards are consistently upheld across our dairy supply chain. In addition, we are working towards strengthening transparency, farmer engagement, and responsible sourcing practices to enhance both product integrity and consumer trust.



Social

Message from Chief Human Resources Officer (CHRO)



At Zydus Wellness, we firmly believe that the true strength of our business lies in the strength of our people. Every colleague brings unique perspectives, skills, and aspirations that shape our culture and drive our success. We are committed to creating an environment where people can grow with purpose, contribute with confidence, and build fulfilling careers through an inclusive culture, continuous learning, and meaningful development opportunities.

A key pillar of this commitment is advancing gender diversity and equal opportunity. We have established gender diversity targets across junior, middle, and top management positions, covering all functions, including revenue-generating and STEM-related roles. Beyond gender representation, we strive to foster an equitable workplace where employees from diverse backgrounds, experiences, generations, and perspectives feel respected, valued, and empowered to succeed.

We support our people through continuous learning, recognition, wellness, and a culture of trust. Our holistic well-being approach encompasses physical, mental, emotional, spiritual, and financial health, while employee feedback gathered through engagement surveys, listening forums, and manager-led conversations helps strengthen workplace experiences and people practices. In FY 2025-26, Zydus Wellness achieved Great Place to Work® certification for the fourth consecutive year, with

our TRUST INDEX© score increasing to 89 from 81 in the previous year.

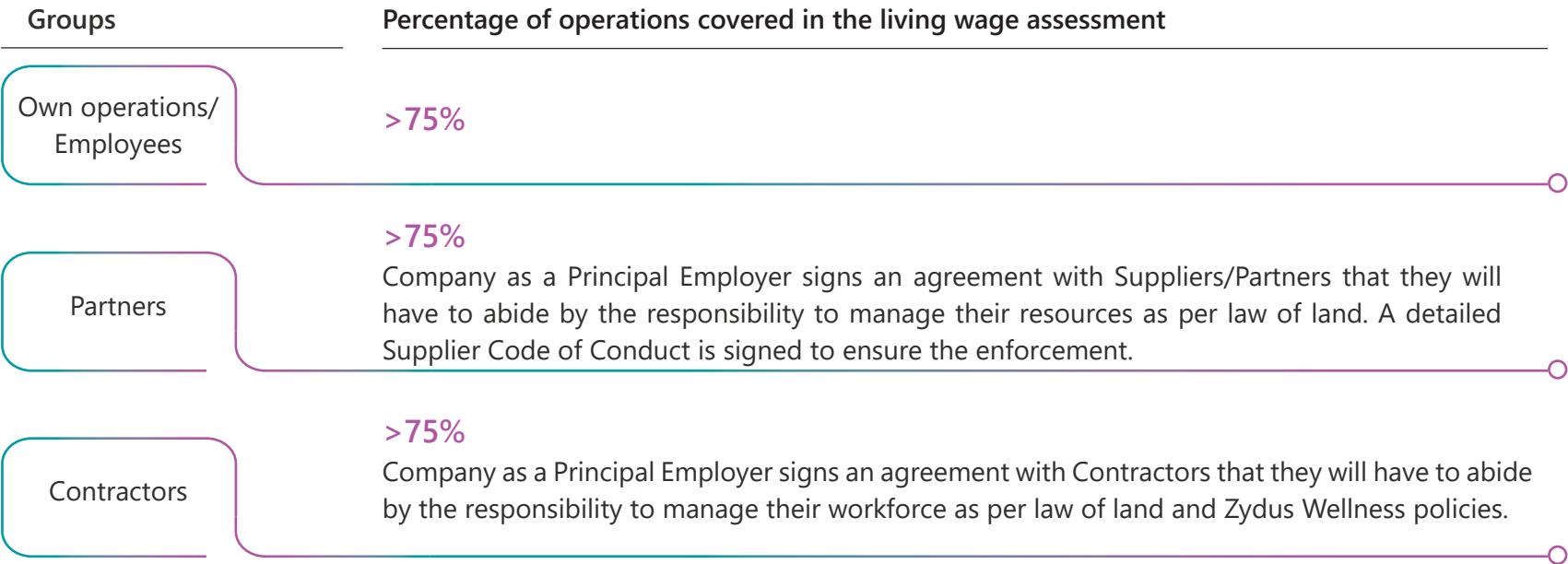
Our people remain at the heart of our journey, and through community outreach and social impact initiatives, we strive to create value beyond the workplace. Looking ahead, we will continue investing in future skills, AI and digital capabilities, inclusive leadership, employee well-being, and a high-performance culture grounded in trust and purpose. We believe sustainable business success is achieved when people, communities, and organisations grow together.

Shantanu Das
Chief Human Resource Officer
Zydus Wellness Limited

Labour Practices Commitment

Paying a living wage	Our living wage calculation is based on the globally recognized Anker methodology, which estimates the cost of a decent standard of living for workers and their families using local data on food, housing, education, healthcare, and transportation. This ensures wages are fair, credible, and aligned with essential living needs. At Zydus Wellness, we are steadfast in our commitment to ensuring fair compensation for our associates, as articulated in the Company's Human Rights Policy. We have an ongoing commitment in ensuring our associates compensation is line with on ground living requirements. Company's people practices are aligned to ensure that this gets implemented on regular basis. For more details on Living Wage Assessment refer to - https://zyduswellness.com/wp-content/uploads/2026/09/Living-Wage-Assessment_2025-26.pdf Our living wage methodology has been assured by third-party. For Living Wage Assurance statement, please refer to pg. no. 143-144 in the ESG Databook
Avoiding or reducing overtime or excessive working hours	Our workforce policies emphasize balanced working hours, with measures to avoid or minimize overtime and prevent excessive workloads. And in case of extra hours working, overtime is applicable for workers.
Setting maximum working hours	We adhere to statutory requirements and industry best practices in defining maximum working hours, safeguarding employee well-being and productivity.
Equal remuneration for men and women	We follow the principle of equal pay for equal work, ensuring fair and equitable remuneration irrespective of gender. For more details on our equal pay third party assurance, please refer to ESG Databook pg.no. 143-144
Paying workers for annual leave	All employees are entitled to paid annual leave in line with regulatory requirements and our commitment to employee welfare.
Setting minimum consultation or notice periods before mass terminations	In the event of organizational changes, we comply with labor laws by providing minimum consultation and notice periods before mass terminations, ensuring transparency and fairness.

Scope of Commitment



Labour Practices Programs

Ensure adequate wages at or above cost-of-living estimates or benchmarks

Zydus Wellness ensures all employees are paid above statutory minimum wages, aligned with cost-of-living benchmarks. The Anker methodology is being adopted to calculate living wages, considering the cost of a decent lifestyle for workers and their families. Periodic internal benchmarking is undertaken to ensure equity and competitiveness.

Monitor working hours including overtime management

Working hours, including overtime, are tracked through HR systems in compliance with labour laws. Monitoring ensures adherence to statutory limits while safeguarding employee well-being.

Ensure employees are paid for overtime work

All eligible employees are compensated for

overtime work as per legal requirements and company policy. Payroll systems ensure accuracy and transparency in overtime payment.

Regularly engage with workers’ representatives on working conditions

Zydus Wellness maintains active engagement with worker representatives through committees and regular forums to discuss working conditions, occupational health, safety, and

welfare initiatives. This strengthens employee relations and ensures proactive resolution of concerns.

Routinely monitor the gender pay gap to achieve equal remuneration for men and women

Pay parity reviews are conducted periodically to identify and address remuneration gaps. We have conducted third-party equal pay assurance to reinforce commitment to gender equity please refer to pg. no. 143-144

Expand social protection coverage for workers beyond public programs

Employees are provided company-sponsored benefits including medical insurance, accidental and life insurance, and wellness programs, in addition to statutory social security schemes. These ensure holistic protection beyond government requirements.

Ensure employees are taking their paid annual leave entitlements

HR systems track leave utilization, with managers

ensuring employees avail their annual leave entitlements. This promotes work-life balance, prevents burnout, and safeguards employee well-being.

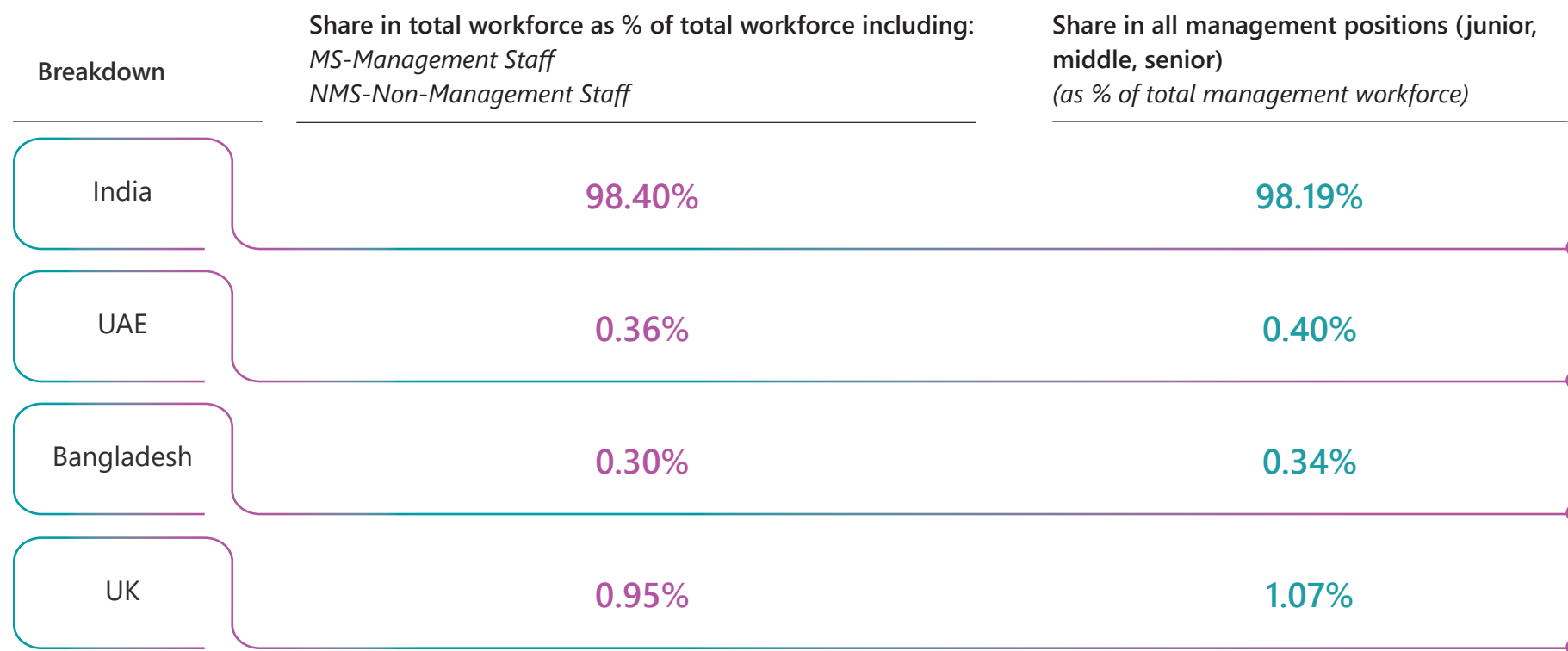
Provide training or reskilling to mitigate negative effects of industrial or climate transition changes

Zydus Wellness invests in training and reskilling programs, including digital upskilling, functional capability building, and sustainability-related training. Initiatives prepare employees to adapt to industry shifts, technological advancements, and climate transition changes.

Workforce breakdown: Gender

Diversity indicator	Percentage share FY 2025-26	Public Target
Share of women in total workforce	12%	8% by 2026 10% by 2030
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	8%	6% by 2030
Share of women in junior management positions, i.e., first level of management (as % of total junior management positions)	6%	8% by 2030
Share of women in top management positions, i.e., maximum two levels away from the CEO or comparable positions (as % of total top management positions)	8%	6% by 2030
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	5%	5% by 2030
Share of women in STEM-related positions (as % of total STEM positions)	16%	10% by 2030

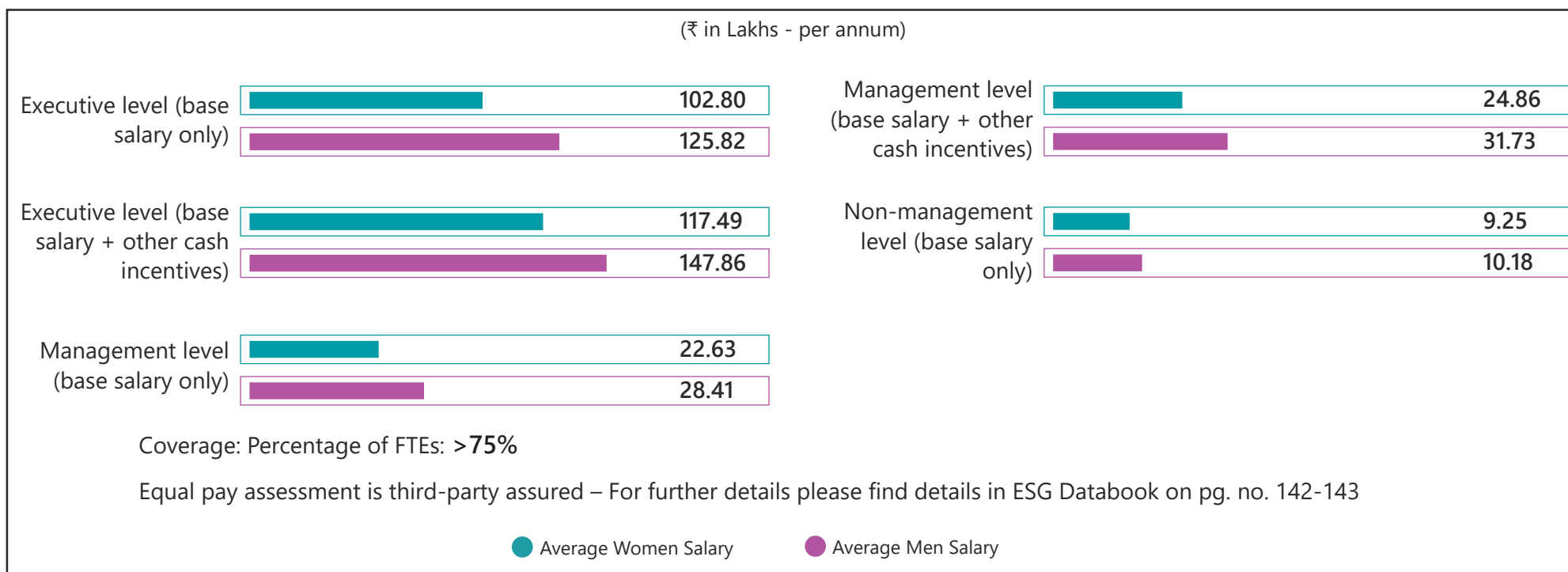
Workforce breakdown: Nationality



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

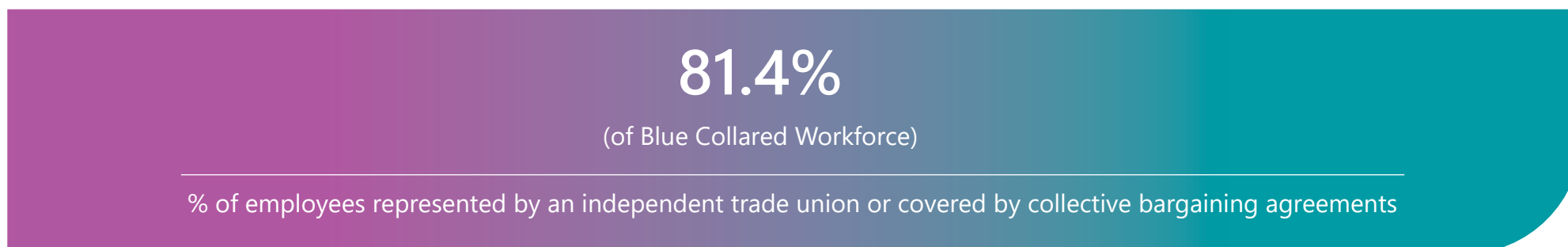
Gender Pay Indicators

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



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

Freedom of Association



Human Rights Due Diligence Process

Human rights due diligence process

At Zydus, we continuously strive to establish safe work environments, prevent child labour, forced labour and discrimination, and ensure eligibility of freedom of association and collective bargaining agreements. Our ultimate objective is to cultivate a socially inclusive world where each entity, from small farmers who aid in sourcing our ingredients to our distributors and all other associates, are valued. Hence, underpinning our business and societal operations, respect for human rights remains paramount. In a world rattled by geopolitical instability, a cost-of-living crisis, global supply challenges, and pressing concerns over climate change and social inequity, the urgency to collaborate and collectively strive for universal human rights respect is more significant than ever.

We comprehend the immense need to maintain ethical and human rights standards across our entire value chain, and in doing so, we respect the human rights of all involved parties. Our Human Rights Policy and due diligence best practices are applicable to all Zydus Wellness employees, trainees, part-time and contractual workforce across all our business units, wholly owned entities, and majority-owned entities. We also require our value chain partners to adhere to these same principles. As part of our commitment to human rights protection,

we have instigated a stringent due diligence process and a constant monitoring system incorporated into our operations through a periodic risk assessment process covering our own operations, our value chain as well as at the time of any new business relations. This includes a robust grievance redressal channel, the Human Rights Policy, Whistle-blower policy, the Prevention of Sexual Harassment (POSH) policy and our Supplier Code of Conduct. We strongly encourage stakeholders to voice any human rights related concerns or complaints, which we commit to promptly and appropriately addressing. We firmly believe that businesses can only flourish in societies where human rights are protected and respected, and we understand that businesses bear the responsibility to respect human rights and have the power to cultivate positive human rights influences.

Review of risk mapping

We do a systematic periodic review of risk mapping of potential issues

Coverage of risk identification

Our process covers the following:

- Risk identification in our own operations
- Risk identification in our value chain or other activities related to our business
- Risk identification in new business relations (mergers, acquisitions, joint ventures, etc.)

Actual or potential human rights issues covered/identified:

- Forced labor
- Human trafficking
- Child labor
- Freedom of association
- Right to collective bargaining
- Equal remuneration
- Discrimination

Groups at risk of human rights issues covered/identified:

- Own employees
- Women
- Children
- Indigenous people
- Migrant workers
- Third-party employees
- Local communities

Reference policies

<https://zyduswellness.com/wp-content/uploads/2026/05/Human-Rights-Policy.pdf>
<https://zyduswellness.com/wp-content/uploads/2026/05/Risk-Management-Policy.pdf>
<https://zyduswellness.com/wp-content/uploads/2026/05/code-of-conduct-for-vendors-feb-2025.pdf>
<https://zyduswellness.com/wp-content/uploads/2026/05/Whistle-Blower-Policy-02-08-24.pdf>
<https://zyduswellness.com/wp-content/uploads/2026/05/POSH-Policy-Latest-Rev.pdf>

Human Rights Assessment

S. No.	Category	A. % of total assessed in last three years	B. % of total assessed (column A) where risks have been identified	C. % of risk (column B) with mitigation actions taken
1	Own Operations (including Joint Ventures where the company has management control) Please select the basis for reporting (denominator): as a % of: Sites	100%	0%	0%
2	Contractors and Tier 1 Suppliers (as a % of contractors or Tier I Suppliers)	100%	0%	0%
3	Joint Ventures (including stakes above 10%) (as a % of joint ventures)	We do not have any Joint Ventures		

Human Rights Mitigation & Remediation

Processes implemented to mitigate human rights risks

The Company is committed to providing fair opportunities at all levels, safe & healthy workplaces and protecting human health and environment.

The company strives to provide a non-discrimination and harassment-free workplaces for all its employees and contractual staffs. The Factory Act 1948, provides the overarching framework for the company policy on Human Rights for the employees working in the Company's factory.

The number of sites with mitigation plans

All Sites.

Human Right Mitigation Plans are available at all sites. This is part of Human Rights Policy and applicable to all employees and workers (permanent and other than permanent), including trainees of ZWL and its subsidiaries. The policy is also extended to our business partners and suppliers.

The type of remediation actions taken

Based on the fundamentals of 'Zero Tolerance Policy' for any Human rights violations, Zydus Wellness has defined a comprehensive Human Rights Policy. Some of the systems and

processes defined to address Human Rights concerns/Violations is as follows:

- 1. Whistleblower Policy:** Zydus Wellness has a robust mechanism for addressing concerns related to human rights violations through its comprehensive Whistleblower Policy. Employees and stakeholders are encouraged to report unethical practices or rights violations confidentially, ensuring their protection against retaliation. This policy reinforces the company's commitment to transparency and ethical conduct.
- 2. POSH Compliance:** Zydus Wellness is committed to creating a safe and inclusive work environment. Through compliance

with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has implemented a robust POSH Policy. Internal Complaints Committees (ICC) have been established across all workplaces to address and resolve grievances promptly, ensuring dignity and respect for all employees.

3. **Product Quality and Safety:** As a responsible FMCG organization, Zydus Wellness prioritizes the rights, dignity, and safety of its consumers. A dedicated corporate-level Consumer Grievance Management team ensures that any feedback, concerns, or complaints related to product quality and safety are addressed swiftly. Contact details, including email and toll-free numbers, are made accessible on every product pack for seamless communication with customers.
4. **Environment, Health, and Safety (EHS):** Zydus Wellness emphasizes the safety, health, and well-being of its employees through a stringent EHS Policy. The company provides a safe workplace, complies with all legal requirements, and remediates risks proactively. Employees are encouraged to report unsafe conditions to management, fostering a culture of safety. Regular training programs and awareness initiatives ensure compliance with workplace safety standards and minimize risks to health and the environment.
5. **Stakeholder Engagement:** Zydus Wellness actively engages with individuals,

communities, and their representatives to address their concerns and expectations. Through transparent and participatory dialogues, the company ensures stakeholders are heard and included in the decision-making process, reinforcing trust and accountability.

6. **Grievance and Redressal Mechanism:** Employees are encouraged to voice their concerns regarding policies or workplace issues through multiple channels, including their immediate supervisor, Head of Department, or the Human Resource Department. The company is committed to maintaining high standards of health protection, safety, environmental stewardship, and product quality, ensuring that any grievances are resolved effectively and respectfully.

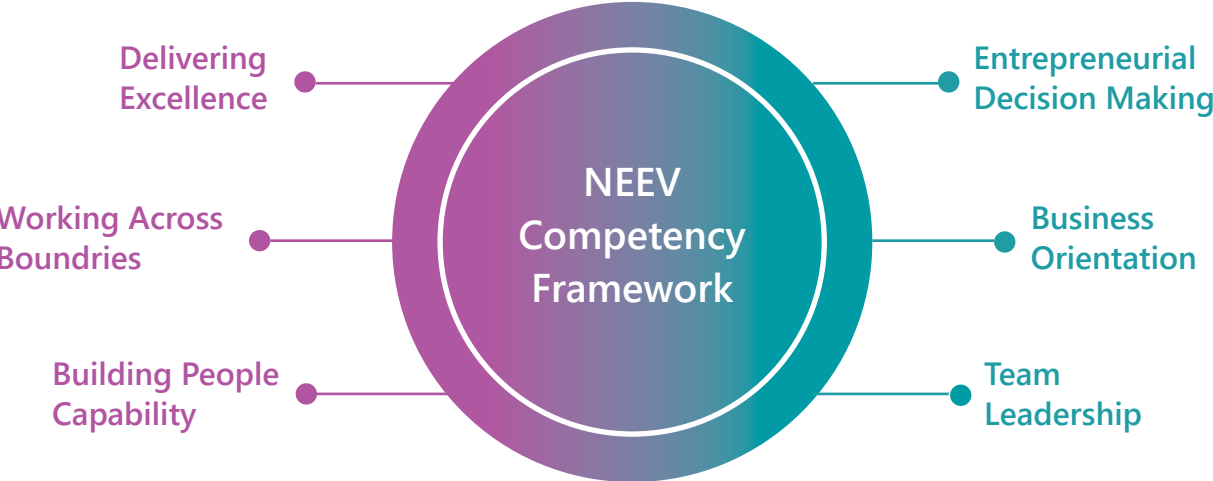
These systems demonstrate Zydus Wellness's unwavering commitment to upholding human rights across all aspects of its operations.

A Systematic Performance Measurement System

We understand that 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 result-oriented increments, promotions and variable pay.

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



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

Training and Development Inputs



Training Data breakdown

(FY 2025-26)

By Age Group	21,801
<=30	7,328
31-40	9,492
41-50	3,915
>50	1,066
By Gender	21,801
Female	3,146
Male	18,655
By Management Level	21,801
Junior	16,020
Middle	4,098
Senior	1,683
Top	0
By Nationality	21,801
India	21,735
Bangladesh	0
UAE	66
By Type of Training	21,801
Soft Skills, SHINE, Leadership - ASPIRE; Coaching, Mentoring, Trainings based on NEEV competency Framework	4,395
OTJ, Technical Skills - SAP, ASRS, Opex, Cycle counting & Stock Reconciliation, MTBF & MTTR, OEE, COPQ, DMAIC	3,318

Attracting and Retaining the Right Talent

The Company is committed to the principle that having the “Right person in the Right Role” is essential for the success of business operations and the growth of the organisation. Effective hiring helps achieve organisational objectives and supports a positive workplace. The process of selecting and onboarding new employees goes beyond merely filling a vacant position; it is about shaping the future of the Company. During the FY 2025-26, a total of 452 permanent employees were hired of which 28 were female and 424 were male. 88% were through Internal hiring. There has been a significant decrease in turnover rate as compared to FY 2024-25. In FY 2025-26, the Company recorded differentiated attrition trends across gender groups, with turnover among female employees improving

to 12% from 14% in the previous year, reflecting enhanced retention outcomes, while turnover among male employees stood at 25% compared to 21% in FY 2024–25.

In FY 2025-26, Zydus Wellness continued to strengthen its people-first culture, achieving the Great Place to Work® certification for the fourth consecutive year. This recognition reflects an ongoing focus on building a workplace grounded in trust, fairness and a shared sense of purpose. The Company’s efforts to enhance employee engagement and organisational alignment are evident in the TRUST INDEX© Score, which climbed to 89 in FY 2025-26 up from 81 in the previous year and representing a 27% improvement since the first certification

in 2022. The Company believes that a truly great workplace is one where employees feel empowered, connected and supported. Key indicators taken into account for the survey and assessment were overriding sentiment, retention, advocacy, motivation and discretionary effort. As a result of focused cultural initiatives, employees are now able to dedicate more time to meaningful, high-impact work—driving both individual productivity and business outcomes. To continuously capture employee sentiment and guide improvement efforts, Zydus Wellness conducts a Pulse Survey across all locations. The survey evaluates five key dimensions: Credibility, Respect, Fairness, Pride and Camaraderie.

Employee Development Programs

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

Particulars	Program 1 - SHINE	Program 2 - ASPIRE	Program 3: Wellness Support Sphere	Program 4: Digital Readiness Program	Program 5: Daksha
Learning methods (externally/internally) offered for employee development	Teams and Networks	Teams and Networks	Teams and Networks	Coaching	Coaching

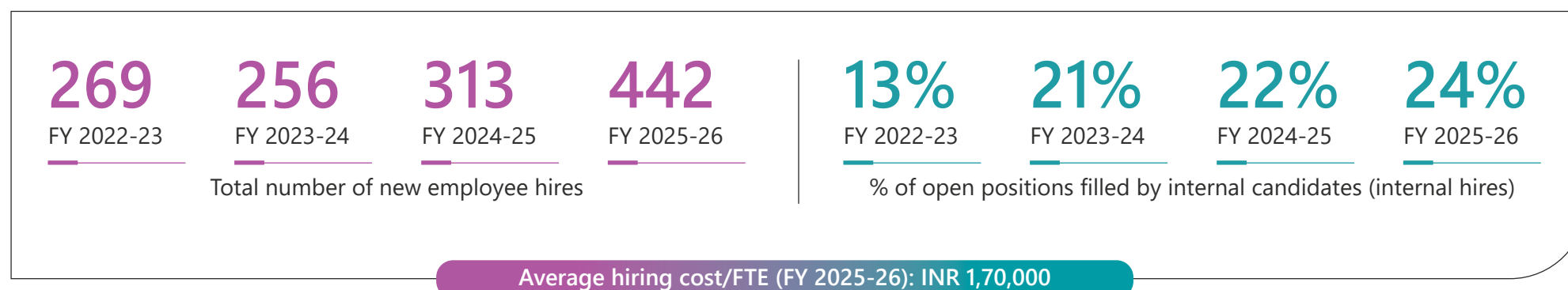
Type of program offered for employee development	Leadership development program	Leadership development program	Transition program for retiring employees	Digital transition program	Leadership development program
Disclosure of the quantitative business impact of any of the programs mentioned	- Increased participation and completion rates of women employees - Uplift in professional capabilities and retention - Higher engagement and inclusion scores - Improved representation of women in critical roles - Enhanced cross-functional collaboration and confidence to undertake stretch assignments - GPTW score for "I am offered training or development to further myself professionally" increased from 76 in 2024 to 84 in 2025	- Strengthened strategic leadership capabilities among senior leaders at DGM level and above - Increased readiness of identified talent to undertake larger and future leadership responsibilities - Strengthened leadership pipeline and succession readiness for critical roles - GPTW score for "I am offered training or development to further myself professionally" increased from 78 in 2024 to 84 in 2025	- One-to-one counselling support provided during critical transition periods, including retirement. - Confidential professional counselling supports employees in managing transition-related concerns. - GPTW score for "This is a psychologically and emotionally healthy place to work" increased from 80 in 2024 to 88 in 2025	25 production lines brought onto the IIoT platform. - OEE measurement variance stabilized to $\pm 0.5\%$ - Daily production reporting became 100% automated and real-time. - Improved decision-making reliability and reduced data-reconciliation effort. - Faster MIS availability and response to downtime and process deviations.	- Achieved 95% training coverage, covering 1,874 of 1,973 contractual workmen, with 37,480 participant-hours of training. - Increased the proportion of workers meeting role requirements from 60% to 90%, representing a 30 percentage-point improvement. - Increased workers qualified at Level 3 or Level 4 from 20% to 50%, while the number of Technical Experts increased from 90 to 180. - Reduced packing defects from 12 to 8 per 1,000 units inspected, representing a 33% relative reduction.
The program covers contractual or part-time employees in company's own workforce	No	No	No	No	Yes

Human Capital Return on Investment

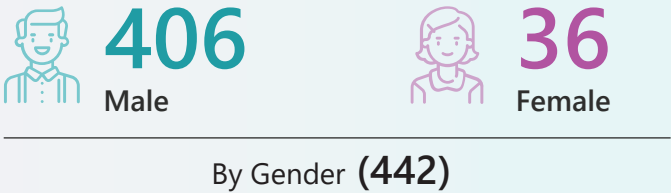
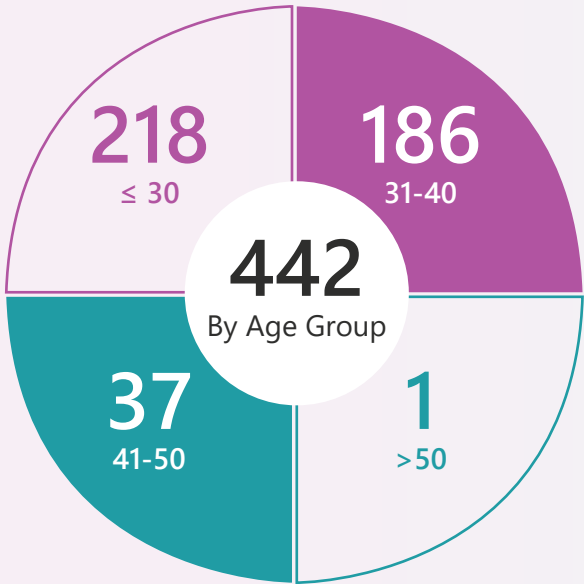
Indicator	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
a) Total Revenue (INR)	22,59,70,00,000	23,41,70,00,000	27,22,50,00,000	39,67,40,00,000
b) Total Operating Expenses Currency (INR)	19,17,64,00,000	20,19,70,00,000	23,29,10,00,000	34,58,70,00,000
c) Total employee-related expenses (salaries + benefits) (INR)	1,67,30,00,000	1,93,40,00,000	2,37,20,00,000	3,13,00,00,000
d) Resulting HC ROI (a- (b-c)) / c	3.0	2.7	2.7	2.6
Total Employees	748	818	1,247	1,686

Hiring

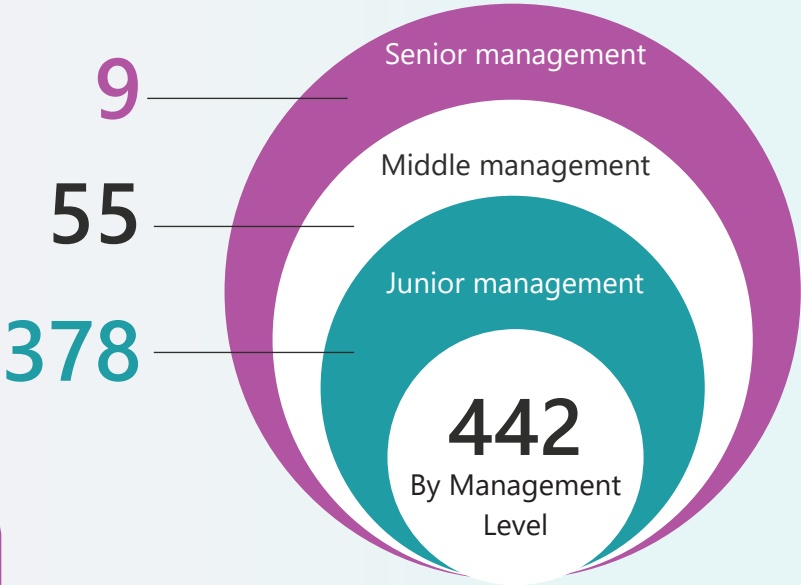
The Company believes that “Right person in the Right Role” are core to business operations’ success and growth of business. The process of selecting and onboarding new employees is not just about filling a vacant position; it’s about shaping the future of the Company. Correct employee hiring plays a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



Hiring Data Breakdown (FY 2025-26)

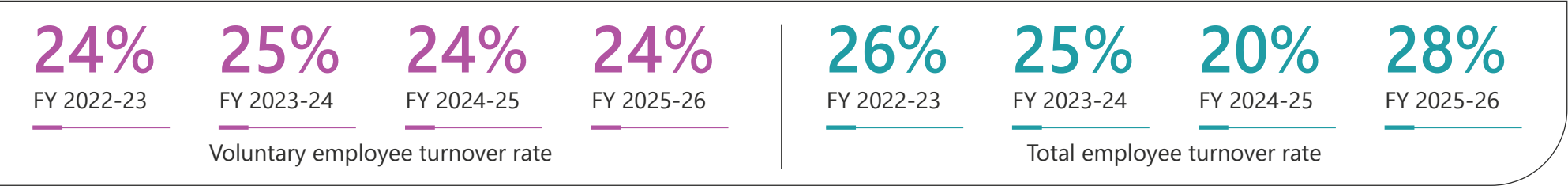


Breakdown by Nationality (442)

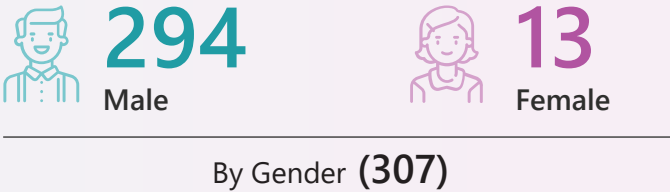
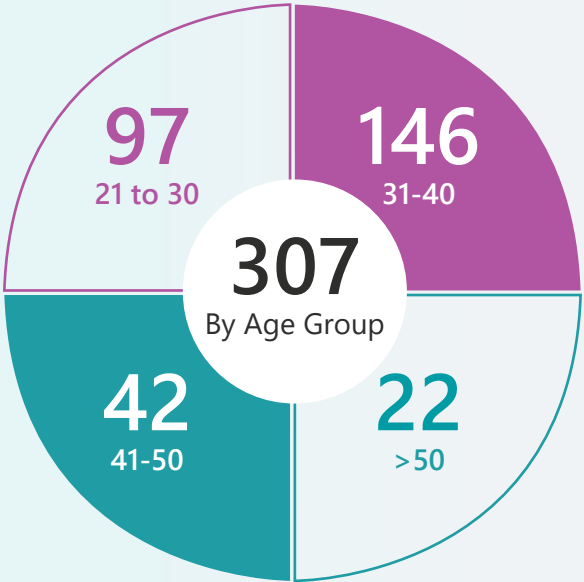


Employee Turnover Rate

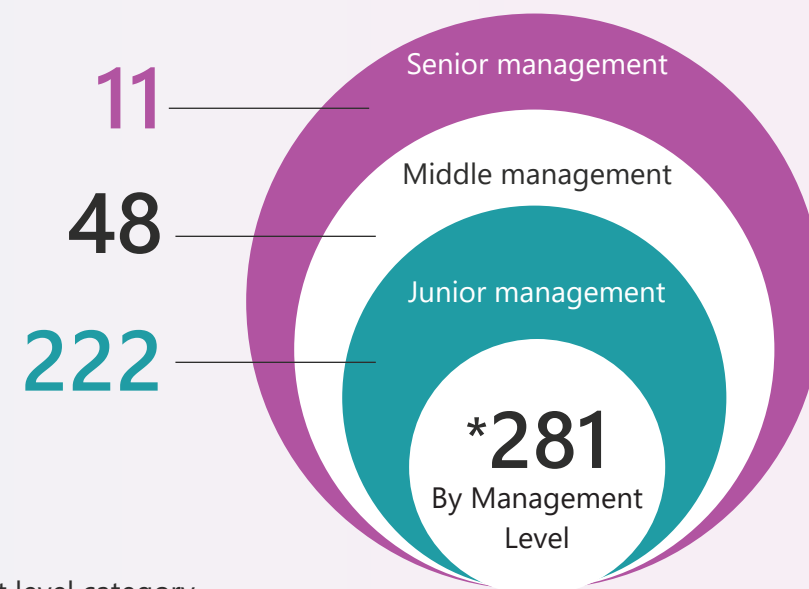
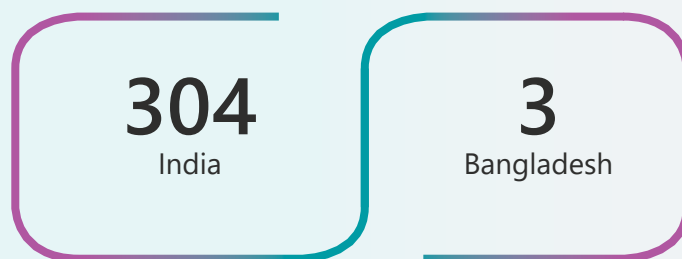
Employee turnover is a critical metric that can have far-reaching implications for an organization’s financial health, productivity, culture, and ability to attract and retain talent. The Company aims to continue to deliver value to its people by attracting, training, and retaining multifaceted employee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



Employee Turnover Data Breakdown (FY 2025-26)



Breakdown by Nationality (307)



*The remaining 26 belongs to non-management staff not included in management level category.

Employee Support Programs

Employee support programs	Details
Workplace stress management	To address workplace stress and promote mental health, we provide access to VISIT, a wellness application. This platform caters to employees' physical and mental well-being, offering resources and tools to manage stress effectively.
Sports & Health initiatives	Sports & Health Management: At Zydus Wellness, we look at employee wellbeing in a holistic fashion and therefore health and wellness is of paramount importance to us. Being fit makes each one of us more energetic, motivated and happy. - This policy is applicable to all permanent Management staff employees of the company. - Employee can avail reimbursement up to (50% of the total fees or 10,000/- (whichever is lower) - Reimbursement can be availed once in a Financial Year i.e., April to March. - The Company expects employees to be ambassadors of Wellness and avail fitness facilities of these format. (Yoga, gymnastics, fitness classes, cardio Zumba, Meditation, Swimming)

Flexible working hours	At Zydus Corporate Park, employees can utilize a flexible attendance policy, including: • Late coming: Up to 9 times a month (3 times without approval and 6 with approval) with a 2-hour delay. • Early leaving: Up to 3 times a month with a 1-hour early departure (with approval). Branch Offices: • Late coming allowed up to 1 hour 4 times a month. • Early leaving allowed up to 2 hours a month. Work-from-Home Arrangements: We support working-from-home arrangements for employees where feasible. Part-time Working Options: Part-time roles are considered to meet specific employee needs, balancing professional and personal responsibilities.
Childcare facilities or contributions	Creche facility available in corporate office at Ahmedabad office for working mothers.
Breastfeeding and Lactation Facilities	Dedicated lactation rooms and other related benefits are provided to support nursing mothers.
Paid parental leave for the primary caregiver	A total of 26 weeks is offered to our majority of the employees as paid parental leave for primary caregiver.
Paid parental leave for the non-primary caregiver or secondary caregiver.	Any employee (male) who has completed 1 year with Zydus is eligible for Paternity leave of 5 days. This can be availed within 3 months from the date of birth of child/adoption. Paternity leave can be availed maximum twice during the tenure of employment.
Paid Family or Care Leave	Employees can avail leave to care for their child, spouse, partner, dependent, parent, sibling, or other designated relations with a physical or mental health condition.

Type of Performance Appraisal

Management by objectives

Zydus Wellness uses Balanced Scorecard approach that uses Financial and Non-Financial measures to provide a well-rounded perspective on past performances as well as an indication of future performance. BSC is a comprehensive framework that focuses on linking quantifiable objectives across the four critical aspects- Financial aspects, People (Learning & Development), Process and Customers. It is preferred over MBO in Zydus Wellness as it has got broader scope integrating Organizational goals & strategy.

Zydus Wellness has got various structured processes of 360-degree performance appraisal involving different External Agencies for different levels of management.

1. **HOGAN 360:** This assessment provides a fair and objective evaluation of the Employees relative strengths and areas of opportunities in relation to the competencies and traits essential for success at Zydus Wellness. The primary objective of this report is development. View the report from the lens of developing employees in critical behaviors that will enable you to be even more successful going forward. Each candidate's

report is different. Therefore, there is no right or wrong in the competency scores. It just measures your current standing vis-à-vis the Zydus Wellness Neev competency framework.

2. **Jombay Assessment:** The Jombay Assessment is a behavioral and personality-based tool designed to evaluate competencies, potential, and development areas aligned to leadership and functional roles.
3. **SHL:** We build people to build our business - this has been our motto and a way of life at Zydus. We believe that it's our people who have made all the difference in our journey of growth over the years. It is the Zydus spirit of keeping the organization before themselves, working together as a team to make things happen, thinking differently and making innovation a part of Zydus' DNA and creating a culture of trust and oneness that has been our greatest asset.

As a future-focused organization, our growth has always been dynamic with a plethora of opportunities. This has been a unique strength of our organization and an essential part of our value proposition - GROW which looks at Global opportunities, Respect, recognition and care and building talent, Opportunities across the value chain and Working with the best. Zydus

has collaborated with SHL for the assessment process. These assessments will assess you only from behavioral point of view.

Phase I (Online Assessment – 70 mins) - It will be an online assessment comprising of following two questionnaires & one survey. Kindly note that the avg. time mentioned below is the avg. time taken to respond & these are not timed assessments:

1. Occupational Personality Questionnaire (OPQ)
2. Motivation Questionnaire
3. Experience Survey

Phase II (One-on-One interaction- 4.5 hours)

Team-based performance appraisal

Zydus Wellness has got a well-defined process of Performance Appraisal encompassing both- Individual as well as Team performance. The Variable pay has got 80% weightage on Team Performance, and 20% weightages are assigned to Individual Performance.

Variable Pay Out Calculation:

1. Top Line performance measured through Top line growth of the company (basis par

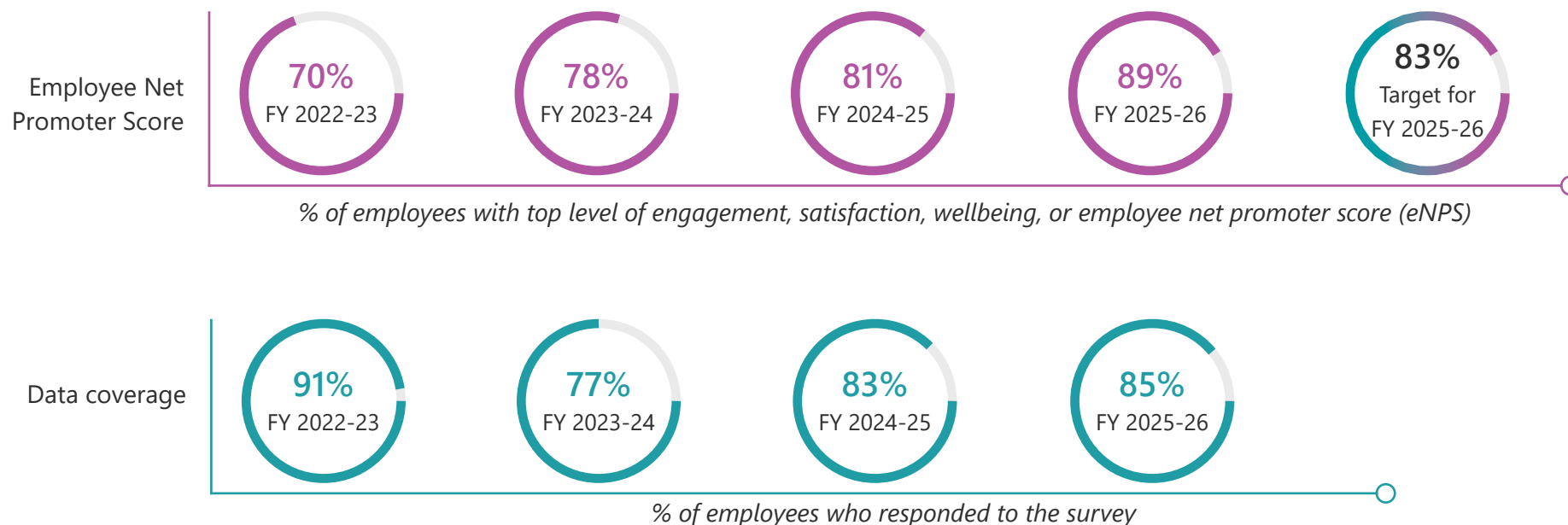
- growth – Weightage 40%)
2. Bottom Line performance measured through PBT of company (Weightage 40%)
 3. Individual performance (I-PEAK) measured through KPIs and par growth for revenue functions (Weightage 20%)

Agile conversations

Agile Conversations foster collaboration and shared understanding through structured dialogue. It encourages active listening, enquiry, and alignment on goals. ZWL uses SBI (Situation Behaviour & Impact) Model to support Agile Conversations. This model helps in providing structure to positive & negative feedback, thereby assists the team to adapt to change.

Indicator	Frequency
Management by Objectives	Ongoing
Multidimensional performance appraisal	Ongoing
Team-based performance appraisal	Ongoing

Trend of Employee Wellbeing



Holistic Well-being Initiatives:

Zyduz Wellness addresses employee well-being holistically by focusing on **physical, mental, emotional, spiritual and financial health**. Physical well-being is supported through on-site fitness facilities at select locations, periodic health screenings and ergonomically designed workspaces aimed at preventing injuries and enhancing comfort at work. Mental well-being is supported through Employee Assistance Programmes (EAPs), which offer confidential counselling, stress management resources and flexible work arrangements to help employees manage personal and professional challenges. Emotional well-being is built through recognition and reward programmes that acknowledge individual and team contributions, reinforcing morale and a sense of belonging. Financial well-being initiatives further complement this framework through workshops on financial planning and investment awareness, along with structured insurance and retirement benefits. Together, these initiatives contribute to a supportive workplace environment that promotes employee satisfaction, retention and sustained performance, enabling employees to thrive both personally and professionally.



Occupational Health & Safety Programs

The company has a program on Occupational Health and Safety (OHS).

Zyduz Wellness has implemented the ISO 45001:2018 Occupational Health & Safety Management System across all manufacturing locations, providing a structured framework for identifying workplace hazards, assessing associated risks, and implementing appropriate controls.

As part of the company's OHS framework, SanKalp, a comprehensive Hazard Identification and Risk Assessment (HIRA) process is established for activities, processes, equipment, and work areas. HIRA systematically identifies potential sources of harm, including mechanical, electrical, chemical, ergonomic, fire, and process-related hazards. Each identified hazard is evaluated based on Severity, Likelihood, and Exposure, enabling risk levels to be determined and controls to be prioritized.

Hazard Identification and Risk Assessment (HIRA):

HIRA is conducted systematically for each operation, covering mechanical, electrical, chemical, ergonomic, and process-related hazards. Each hazard is assessed based on

severity, likelihood, and exposure to determine risk levels and prioritize controls. Detailed HIRAs across areas such as Nutralite, Chocolate, Cheese, Sugar Free, and Complian help identify hazards proactively and implement appropriate engineering, administrative, and PPE controls.

Job Safety Analysis (JSA):

At ZWL, Job Safety Analysis (JSA) is used to establish task-specific safety requirements. It focuses on the actual work environment, work sequence, tools, equipment, and precautions required for individual activities. The resulting safe work instructions help employees understand and follow the necessary precautions while

Through the combined application of HIRA and JSA, Zyduz Wellness ensures that risks are systematically identified, assessed, and mitigated, thereby protecting employees from harm and fostering a culture of proactive safety management.

OHS risk and hazard assessments to identify what could cause harm in the workplace.

Zyduz Wellness has implemented the ISO 45001:2018 Occupational Health & Safety

Management System across all manufacturing locations, providing a structured framework for identifying workplace hazards, assessing associated risks, and implementing appropriate controls.

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Prioritization and integration of action plans with quantified targets to address those risks.

Zydus Wellness follows a structured approach to prioritize identified OHS risks and integrate corresponding action plans into its EHS management system with measurable targets and defined timelines.

Risks identified through Hazard Identification and Risk Assessment (HIRA) and Job Safety Analysis (JSA) are evaluated and categorized based on their risk level. Significant/high-priority

risks are given priority for immediate mitigation, while appropriate corrective and preventive actions are defined for all identified risks. Controls are implemented in accordance with the hierarchy of controls, with actions assigned to responsible persons and target completion dates.

To strengthen monitoring and accountability, Zydus Wellness has implemented “Zysafe-EHS Index” - a Group-level online safety evaluation and reporting platform. Employees use the platform to report Unsafe Acts, Unsafe Conditions, and other safety-related observations. These observations and associated action plans are reviewed periodically, including monthly reviews, to ensure timely closure and prevent recurrence.

The identified risks and improvement areas are translated into site-level EHS targets, aligned with each site’s risk profile and Group-level EHS objectives. Performance is monitored through the Zysafe-EHS Index, with all manufacturing sites adopting an ambitious target score of 85%, up from the previous year’s target of 82%. Notably, Zydus Wellness Limited (ZWL) sites have consistently ranked among the Top 3 out of 27 manufacturing sites across the Zydus Group, demonstrating strong and sustained EHS performance. This provides a quantified measure of site-level EHS performance and supports

continuous improvement.

Closure of risk mitigation actions is systematically monitored through time-bound action plans and verification of implementation evidence. At the Group level, senior management reviews and validates supporting evidence for completed actions, strengthening accountability and ensuring that identified risks are effectively addressed.

Through this integrated approach, Zydus Wellness ensures that significant risks are prioritized, mitigation actions are assigned with defined timelines and responsibilities, and EHS performance is tracked against quantified targets, thereby supporting continuous improvement in occupational health and safety

Integration of actions to prepare for and respond to emergency situations.

Zydus Wellness has established comprehensive Onsite Emergency Plans across all manufacturing sites to ensure systematic preparedness, effective response, and recovery from potential emergency situations. The On-Site Emergency Plan has been prepared by Mr. D. B. Thakkar, Retired Deputy Director of Industrial Safety & Health. The plan is integrated with the Company’s overall EHS Management System and is periodically reviewed and revised, as

necessary, to ensure its continued effectiveness and alignment with applicable statutory requirements and site-specific emergency risks.

Key Elements include:

- i. **Identification and Assessment of Emergency Scenarios:** Potential emergency situations, including fire, chemical spills/leaks, equipment failure, explosions, and natural disasters, are identified and assessed based on site-specific risks. Appropriate response procedures and control measures are incorporated into the Onsite Emergency Plans.
- ii. **Emergency Preparedness and Response Management:** Each site has defined Emergency Response Teams (ERTs), roles and responsibilities, emergency communication protocols, evacuation arrangements, emergency equipment, and other critical resources to facilitate a coordinated and timely response.
- iii. **Regular Mock Drills and Training:** Sites conduct regular mock drills covering identified emergency scenarios to test the effectiveness of emergency response arrangements and evaluate the readiness of personnel. Fire drills and localized emergency exercises are also conducted, including practical training for employees on the safe use of firefighting equipment and

emergency evacuation procedures. Findings and learnings from mock drills, emergency exercises, and actual incidents are documented and reviewed. Identified gaps are converted into corrective and preventive actions with defined responsibilities and timelines, and the learnings are incorporated into subsequent revisions of the emergency plans and training programs.

- iv. **Integration with the OHS Management System:** Emergency preparedness and response are integrated into the company's ISO 45001:2018 Occupational Health & Safety Management System, ensuring that emergency response arrangements are periodically evaluated, tested, and improved.

Through this approach, Zydus Wellness ensures that emergency preparedness is a continuous cycle of risk identification, planning, training, testing, evaluation, corrective action, and improvement, enabling effective response to emergencies and minimizing potential impacts on employees, assets, the environment, and surrounding communities.

Evaluation of progress in reducing/preventing health issues/risks against targets.

Zydus Wellness has established a structured mechanism to monitor and evaluate progress in reducing and preventing occupational health and safety risks against defined targets and performance benchmarks across its manufacturing sites. Through our EHS Framework SanKalp-Sanraksha Dil Se, the Company maintains a comprehensive occupational health management system covering first-aid preparedness, trained first aiders, 24/7 medical support, periodic medical examinations, health surveillance, and confidential employee health records. Potential occupational health hazards and diseases are systematically identified and controlled through engineering and process controls, supported by employee awareness and training, with appropriate statutory reporting and investigation mechanisms in place.

- i. **Defined OHS Targets:** Health and safety objectives and targets are established at site and Group levels based on identified OHS risks, applicable requirements, and improvement priorities. These targets provide measurable benchmarks for evaluating safety performance.
- ii. **Periodic Performance Monitoring:** Progress against defined targets is reviewed monthly

through established EHS monitoring mechanisms. Key indicators, audit findings, safety observations, incidents, corrective-action status, and other relevant OHS performance parameters are evaluated against the defined targets.

- iii. **Management System Reviews and Corrective Actions:** Progress and effectiveness of risk-control measures are further evaluated through ISO 45001:2018 internal audits, Sankalp EHS audits, Zysafe assessments, and site-level safety inspections. These assessments help verify whether implemented controls are effectively reducing identified risks. Appropriate corrective and preventive actions (CAPA) are established with clearly defined responsibilities and ensures their timely closure of the identified gaps.
- iv. **Continuous Improvement:** Findings and performance trends from audits, inspections, incidents, safety observations, and management reviews are used to revise action plans, strengthen controls, improve training, and identify further opportunities for risk reduction.

Further, performance against the Zysafe EHS Index is monitored as a key KPI on a monthly basis, with a defined target score of 85% for each manufacturing facility. Currently, all manufacturing sites are consistently maintaining

scores above 90%, demonstrating strong and sustained EHS performance.

Through this structured approach, Zydus Wellness measures progress against defined OHS targets, evaluates the effectiveness of risk-reduction measures, addresses performance gaps, and drives continual improvement in preventing workplace health and safety risks.

Internal inspections

Zydus Wellness has established a structured and systematic internal inspection and safety observation mechanism across all manufacturing sites to proactively identify unsafe acts, unsafe conditions, and gaps in critical safety controls. In addition to periodic system-level internal audits, workplace safety is continuously monitored through the Zysafe EHS Index, which provides a common framework for safety inspections, observations, and follow-up across sites.

Multi-Level Safety Rounds across all Manufacturing Facilities: (Monthly)
Safety inspections are conducted at multiple organizational levels, with defined minimum observation requirements to ensure broad workplace coverage and active leadership participation:

- **Factory Head Rounds:** Minimum 3 Safety

observations

- **Senior Leadership Team (SLT) Rounds:** Minimum 3 Safety observations
- **Shift In-Charge Rounds:** Minimum 1 Safety observation
- **EHS Head Rounds:** Minimum 17 Safety observations

These multi-level rounds enable identification of both 'Unsafe Acts and Unsafe Conditions', while ensuring that safety performance is actively monitored by employees, line management, and senior leadership.

Theme-Based Safety Campaigns: ZWL conducts structured, theme-based safety campaigns across its manufacturing facilities to drive focused EHS initiatives. Campaigns typically include scope identification, training programs, awareness drives, leadership interactions, and shop-floor engagement activities such as quizzes. Key themes include Chemical Safety, Machine Guarding, LOTO, Slip-Trip & Fall, Electrical Safety, and Water Conservation etc.

Routine Safety Inspections:

In addition to safety rounds, defined inspection checklists are used at prescribed frequencies for critical equipment and activities, including boilers, emergency equipment, ladders, overhead cranes, lifting tools and tackles, and other safety-critical systems. This helps verify

the condition and safe operation of equipment and compliance with established safety requirements.

Integrating with Daily Work Management:

Safety is also integrated into daily operational management. L1, L2, and L3 meetings begin with safety highlights and key observations from the previous day, enabling timely communication of identified hazards, incidents, and required actions.

Through this multi-level, risk-based and continuous inspection process, Zydus Wellness integrates workplace safety inspections into routine operations, enabling proactive identification of hazards, timely corrective action, and continual improvement in occupational health and safety performance.

Independent external verification of health, safety and well-being: please provide the names and standards used (such as ISO 45001):

All manufacturing sites of Zydus Wellness — Ahmedabad, Aligarh, and Sikkim — are certified under ISO 45001:2018 (Occupational Health & Safety Management System). To ensure compliance and continual improvement, independent external audits are conducted annually by accredited third-party auditing agencies. Further, Safety Audits as per IS: 14489

is carried out by competent external agency across all sites.

In addition, under the “Business Responsibility and Sustainability Report” (BRSR) framework, a “Reasonable Assurance” process was carried out 2024-25 by an independent external agency, further strengthening transparency and credibility of our Health, Safety, and well-being practices.

Procedures to investigate work-related injuries, ill health, diseases and incidents.

At Zydus Wellness, a structured procedure is in place to systematically investigate all work-related injuries, ill health cases, occupational diseases, and incidents. The process ensures not only identification of the event but also root cause analysis and sustainable corrective actions. Key steps include:

- i. **Identification of Underlying Causes** – Assessing organizational, procedural, or training deficiencies that may have contributed to the event.
- ii. **Review of Contributing Factors** – Examining environmental and workplace conditions to understand their role in the incident.
- iii. **Root Cause Analysis (RCA)** – Conducting detailed root cause analysis to uncover immediate and systemic issues.

iv. Corrective & Preventive Actions (CAPA):

Implementing time-bound measures to address hazards, prevent recurrence, and strengthen overall safety systems. This includes introducing engineering or administrative controls to eliminate or minimize risks at the source, recommending improvements in procedures, training modules, workplace design, or equipment, and assigning clear responsibilities with defined timelines to ensure effective implementation and rigorous closure.

This structured investigation process ensures continuous learning from incidents and reinforces the company’s commitment to a zero-harm workplace culture.

OHS training provided to employees and/or other relevant parties to raise awareness and reduce operational health & safety incidents.

Zydus Wellness provides comprehensive OHS training programs to employees and other relevant stakeholders to raise awareness and reduce operational health and safety incidents. Key elements include:

Induction Training Programs:

- i. Introduction to company health and safety policies.

- ii. Overview of workplace hazards and safety rules.
- iii. Emergency procedures, including fire, evacuation, and first aid.
- iv. Introduction to Sankalp Framework- ZWL's OHS Framework

Job-Specific Training Programs:

- a. Basic Safety Induction
- b. Know the Potential Hazards at workplace
- c. Permit to Work
- d. Machine Guarding
- e. Chemical Safety
- f. Fire Safety
- g. SCBA (Self-Contained Breathing Apparatus) – Safe Use and Handling
- h. Electrical Safety
- i. First Aid & CPR
- j. Safe Handling of hazardous substances.
- k. Proper use and maintenance of personal protective equipment (PPE).
- l. Ergonomics and safe manual handling techniques.
- m. HIRA (Hazard Identification & Risk Assessment)
- n. Prevention and control measures for specific risks.
- o. Emergency Preparedness & Response
- p. PPEs (Personal Protective Equipment)
- q. Ergonomics & Safe Material Handling
- r. Work at Height

- s. Legal responsibilities under OHS laws and regulations.
- t. Conducting workplace inspections and audits.
- u. Incident investigation and reporting.

In addition, regular refresher sessions, updates on new laws and procedures, learnings from recent incidents, and toolbox talks with daily/weekly safety briefings ensure continuous reinforcement of safety knowledge and a proactive safety culture.

This multi-level training framework strengthens awareness, enhances preparedness, and embeds a strong safety culture across all levels of the organization.

OHS criteria introduced in procurement and contractual requirements.

Zydus Wellness integrates Occupational Health & Safety (OHS) requirements into its procurement and contractor management processes to ensure that safety considerations are incorporated throughout the lifecycle of procurement and contracted activities.

OHS expectations are established at the policy level through the company's Sustainable Procurement Policy and are incorporated into applicable procurement and contractual

requirements. Suppliers and contractors engaged for activities with OHS implications are expected to comply with applicable legal, regulatory, site-specific EHS requirements, and Zydus Wellness safety standards as part of their contractual obligations.

Key elements include:

- i. **Safety Considerations in Procurement and Vendor Selection:** Safety features and compliance requirements are evaluated during vendor selection and purchase, including necessary guarding, interlocks, emergency systems, certifications, and safety documentation. Suppliers are required to provide relevant safety information, such as SDS/MSDS, operating manuals, hazard information, and statutory/technical compliance certificates, wherever applicable.
- ii. **OHS requirements in contractual arrangements:** Applicable safety requirements, safe work practices, statutory compliance, PPE requirements, emergency preparedness, and other site-specific EHS conditions are communicated to and made applicable to contractors as part of the contractual engagement.
- iii. **Contractor Safety Management:** Contractors are provided with appropriate EHS induction, safety training, and awareness programs before undertaking work at company

premises. Additional training is provided based on the nature and risk of the activity.

- iv. **Work Permit Requirement for High Risk jobs:** For high-risk activities, contractors are required to follow established control processes such as permit-to-work systems, Job Safety Analysis (JSA), risk assessments, safe operating procedures, and other applicable EHS controls.
- v. **Monitoring and Compliance:** Contractor safety performance is monitored through site inspections, safety observations, audits, and periodic performance reviews. Deviations are documented and corrective actions are required within defined timelines.

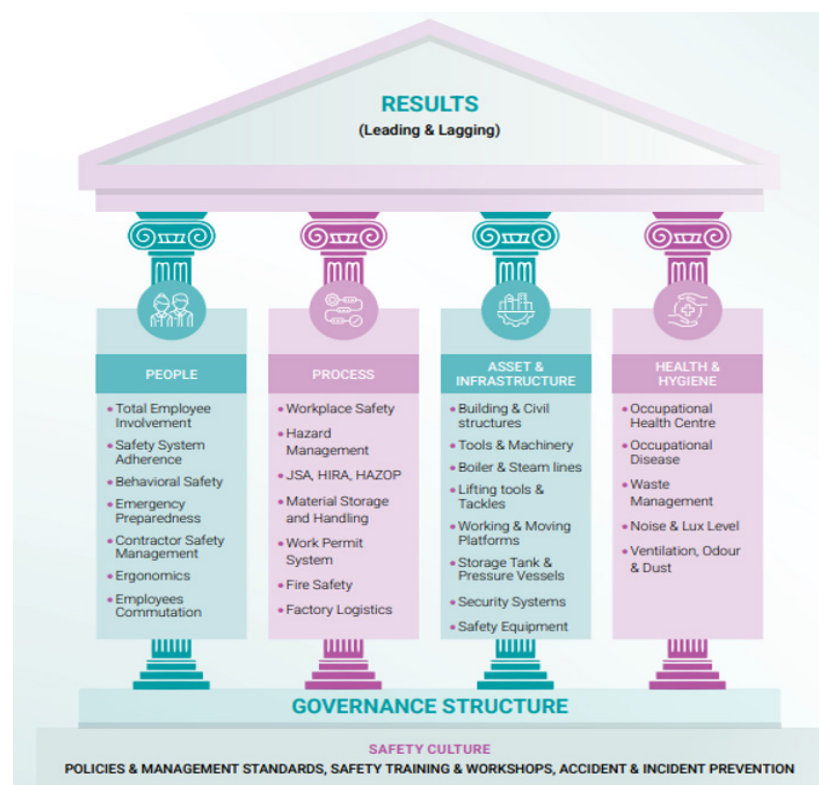
Through this approach, Zydus Wellness ensures that OHS is considered not only during procurement and contractor selection but also throughout the execution and monitoring of contracted activities, thereby reducing workplace risks and strengthening the overall safety culture across its value chain.

Zydus Wellness follows a comprehensive Safety Management System to ensure a safe workplace



SanKalp – Sanraksha Dil Se is a comprehensive Occupational Health and Safety (OHS) program designed to embed a culture of Safety across the value chain of ZWL. The San-Kalp framework establishes a structured process to achieve a safe, sustainable, and injury-free workplace.

Built on the strong foundation of Safety Culture supported by robust governance structure; its four core pillars—People, Process, Assets & Infrastructure, and Health & Hygiene focuses on adherence to safety systems through 'Total Employee Involvement'. With "Sanraksha Dil Se" (Safety from the Heart) as its guiding principle, SanKalp aims to create a sustainable, injury-free workplace through collaboration, accountability, and continuous improvement.



Fatalities

Fatalities	FY 2022-23	FY 2023-24	FY 2024-25*	FY 2025-26*
Employees	0	0	0	0
Contractors	0	0	0	0

*SGS India Pvt. Ltd. has conducted Reasonable Assurance for the reported financial years.

Lost-Time Injury Frequency Rate (LTIFR)

Fatalities	Unit	FY 2022-23	FY 2023-24	FY 2024-25*	FY 2025-26*
Employees	LTIFR (n/ million hours worked)	0	0	0	0
Data Coverage	% of Operations	100%	100%	100%	100%

Fatalities	Unit	FY 2022-23	FY 2023-24	FY 2024-25*	FY 2025-26*
Contractors	LTIFR (n/ million hours worked)	0	0	0	0
Data Coverage	% of Contractors	100%	100%	100%	100%

*SGS India Pvt. Ltd. has conducted Reasonable Assurance for the reported financial years.

Health & Nutrition Programs

Zyklus Wellness is dedicated to enhancing public health through targeted nutrition programs that promote better lifestyles and well-being.

Use of a Nutritional Profiling System (NPS)

Zyklus Wellness applies a science-backed internal nutrient profiling system to assess and guide the nutritional value of products. This system evaluates ingredients and finished goods for their energy content, added sugars, saturated fats, sodium, and % RDA contributions. This profiling supports reformulation efforts and responsible communication of health claims across our portfolio.

Health & Nutrition Criteria Aligned with External Benchmarks

All our product development and reformulation efforts align with recognized regulatory and scientific benchmarks including:

- RDA 2020 Guidelines issued by the Indian Council of Medical Research (ICMR).
- FSSAI nutrient thresholds and labeling regulations.
- Codex Alimentarius standards for global applicability.

These benchmarks help maintain consistency and credibility in our nutrient claims, labelling, and product safety.

Quantified Targets to Reduce Fat, Salt, Sugar, or Additives

Zyklus Wellness has adopted measurable reduction targets across key nutrients of concern:

- No product exceeds 100% RDA per 100g for any claimable nutrient.
- We actively reduce sugar, salt, and saturated fats in existing formulations without compromising taste or shelf-life.
- Our strategy also limits the use of artificial sweeteners, preservatives, and synthetic colorants wherever feasible.

Quantified Targets for Fortified Foods with Increased Nutritious Ingredients

We continue to fortify our product range with essential vitamins and minerals. As part of our R&D focus:

- Every nutrient claim is supported by delivering at least 15% RDA per serve.
- For products with health benefit claims, we aim to deliver up to 30% RDA of relevant micronutrients.
- Fortification is guided by consumer needs and public health gaps in protein, immunity, and pediatric nutrition.

Reporting on Progress of Health & Nutrition Targets

Progress on health and nutrition targets is tracked annually and reviewed internally through:

- Clinical trial registration on CTRI to validate functional claims.
- Documentation of % RDA per serving across products with transparency in product labelling.
- Disclosures in sustainability reports and regulatory filings, reinforcing accountability.

Products Specifically Aimed at Priority Populations

Our product innovation addresses the needs of vulnerable segments such as:

- Children and adolescents (e.g., pediatric nutrition formulas).
- Women and adults requiring protein and immunity support.
- Populations with nutrient gaps in low-income or underserved areas, with accessible price points and fortified benefits.

Portion-Control Packaging Design

We promote mindful consumption through:

- Single-serve SKUs (Max-protein, Table spread chiplets, sugar free sachets etc.) to encourage portion control.
- Clear front-of-pack labeling on recommended serving sizes and nutrient

content.

- Avoiding bulk or oversized packaging in formats prone to overconsumption.

R&D Investment to Improve Nutrition

Zydus Wellness has set up the Zydus Wellness Institute dedicated to research in:

- Sweetener science, lipid management, and gut microbiome.
- Developing functional formulations that support immunity and overall well-being. For example: Complian-Viemax (Adult protein), Probiotic spread (For improved gut health).
- Each innovation is backed by clinical validation and aligns with national and global health objectives.

R&D Investment to Improve Affordability or Accessibility of Healthy Products

Our R&D teams focus on:

- Creating affordable, fortified formats to bridge nutritional gaps.
- Developing price-effective SKUs and distribution strategies for rural and semi-urban markets.
- Innovating preservation technologies and packaging to improve shelf life and accessibility of nutritious products in low-resource environments.

Health & Nutrition Revenues

As a leading global consumer wellness company, we combine a strong legacy of scientific excellence with the deep consumer understanding to create trusted brands that improve everyday lives. At Zydus Wellness, nutrition science, innovation and product reformulation are the key pillars showcasing our commitment towards promoting healthier lifestyle and encouraging informed choices among consumers. Our approach goes beyond compliance and nutritional labeling. We prioritise towards continuous product advancement through reformulation and innovation. R&D forms a core pillar towards growth strategy and enables to ensure our products are scientifically validated, effective and sustainable. Dedicated R&D network at Zydus Wellness supports formulation designing, clinical validation and sensory analyses, enabling nutritional improvements to be evaluated alongside product evaluation and consumer acceptance. Zydus Wellness Institute (ZWI) is an educational initiative by Zydus Wellness focusing on nutrition science and innovation. ZWI aim to support the healthcare professionals and scientific community to explore cutting-edge innovations and explore new researches & insights in nutrition science. Recognizing

the importance of product reformulation and innovation, our strategic focus areas includes reducing nutrients of concern such as sodium, saturated fat and sugar, while increasing positive nutritional attributes such as dietary fibre, where technically feasible and consistent with consumer preferences, product quality and food safety requirements. Our commitment to reformulation and innovation w.r.t advancing nutritional profile of the products, we are also closely monitoring regulatory developments in the domain of nutrition labelling and undertaking the exercise to evaluate our product portfolio with the proposals for HFSS FoPNL. We as a responsible corporate and ensuring compliances, have already initiated the strategy, outlined the road map for implementation. As a priority, Product reformulation has already been strategized along with implementation. Products are either reformulated & launched in market or are on the way to be finalized. Zydus Wellness is already demonstrating the developments by formulating & launching new products around consumer wellbeing and also by reformulating various products including sugar-reduction, protein-rich products, products containing dietary fibre and functional nutrition offerings. Recent innovations include Complian reduced sugar, Sugarfree cookies, protein bars, Sugarfree chocolates, etc. We ensure that once FSSAI finalizes and mandates the FoPNL labeling, we are fully committed towards

adopting and implementing the same across all relevant product categories in alignment with the national framework.

Background

As per the current regulatory framework in India, FSSAI (Food Safety and Standards Authority of India) has not yet notified or mandated any front-of-pack nutritional labeling (FOPNL) or Nutrition rating system for all processed and packaged food products covered under the extant FSS Regulations.

- On 20th September 2022, FSSAI notified a draft regulation related to Front of Pack Nutritional Labelling (FOPNL) and High fat, sugar, salt (HFSS) etc. for public comments, which is still under review at FSSAI and has not been finalized yet. The said notification captures the Indian Nutrition Rating (INR) system using a star-rating approach, based on energy, saturated fat, total sugar and sodium, along with certain positive nutrients, HFSS food (High fat, sugar, salt food) etc.

Hence, nutrition ratings cannot be provided for food products in India under current FSSAI regulations.

- The Hon'ble Supreme Court of India ordered the government to finalize and implement Front-of-Pack Nutrition Labels (FoPNL) within three months, following a

Public Interest Litigation (PIL) filed by 3S and Our Health Society. The court's April 9, 2025, order aims to combat rising NCDs and obesity by providing consumers with clear, easy-to-understand warning labels on packaged foods to highlight high levels of sugar, salt, and saturated fats.

In this regard, Hon'ble Supreme Court directed an expert committee to give its recommendations to enable the Centre to amend food safety regulations to deal with warning labels on packaged foods.

Expert Committee is asked to prepare its recommendation and submit a Report in that regard at the earliest i.e. 3months (by October 2025), so that relying on the report, the necessary amendments can be given effect to.

- Any voluntary or company-specific nutrition rating could be misleading, non-compliant, or inconsistent with the upcoming FSSAI guidelines, and therefore cannot be adopted at this stage.
- Recently, FSSAI issued a draft notification regarding inclusion of the definition of High Fat, Sugar and Salt under Food Safety and Standards (Safe Food and Balanced Diets for Children in School) Regulations, 2020.

The proposed provision introduces thresholds for classifying food products as "High in added

fat, added sugar or salt", based on the ICMR Dietary Guidelines for Indians, 2024:

- High Fat: >4.2 g added fat/100 g in solids or >1.5 g/100 ml in liquids
- High Sugar: >3 g added sugar/100 g in solids or >2 g/100 ml in liquids
- High Salt: >0.625 g salt/100 g in solids or >0.175 g/100 ml in liquids

The thresholds would apply specifically for the purpose of these regulations under the clause of "Monitoring and surveillance",.

- The HFSS FoPNL concern is being considered, in the context of petitions concerning front-of-pack warning labels and public health, with the Hon'ble Supreme Court increasingly pressing the Centre/FSSAI to act on the issue.

In February 2026, the Court recorded that FSSAI had undertaken measures toward implementing FOPNL requirements. Recently, in August 2026, the Hon'ble Supreme Court strongly queried from FSSAI w.r.t the delay in implementing front-of-pack warnings and pressed the government to move quickly.

On 28th August 2026, as per recent media articles, FSSAI informed the Hon'ble Supreme Court that that FSSAI is proposing mandatory front-of-pack warning labels for packaged foods/beverages that are high in key nutrients of

concern. The proposal is described in an FSSAI filing before the Court.

The proposed warning system would use a red-colored hexagonal symbol carrying applicable warnings such as:

- HIGH FAT
- HIGH SUGAR
- HIGH SALT
- HIGHLY SWEETENED BEVERAGE

The filing reportedly proposes the warning where a product is high in two or more saturated fat, sugar or salt.

Online Strategies & Customers Online

Fatalities	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Target for FY 2025-26
Percentage of total customers using company's online services solutions/sales platform	85%	85%	84%	69%	65%
Percentage of revenues generated online (e.g. through direct sales, advertising, etc.)	77%	77%	71%	72%	70%

Customer Relations Management

At Zydus Wellness, maintaining trusted and enduring customer relationships is integral to the Company's responsible business approach. The Company has established a structured customer relationship management programme covering accessible support channels, systematic integration of customer feedback, customer satisfaction measurement, inclusive engagement and timely resolution of customer grievances.

Channels for customer support and feedback
Zydus Wellness provides multiple channels through which customers can submit

complaints, feedback and queries. These include the consumer-care portal, email, customer-care helpline, social media, sales teams and customer visits. The Company's corporate website also provides an online form covering product feedback, product complaints and quality concerns, consumer queries, and website-related feedback.

• **AI-based chatbot**

WeightWorld, a product range of Comfort Click, a wholly owned subsidiary of Zydus Wellness provides digital customer engagement across

its websites in the UK, France and Germany. The customer-feedback functionality includes an AI-enabled chatbot intended to assist customers with their queries and facilitate feedback submission. For more details refer to the website - <https://www.weightworld.uk/pages/contact-us>
Zydus Wellness also operates Nutralite Chef, an AI-powered consumer engagement platform that provides personalised recipe suggestions through food-image uploads, dish-name searches and WhatsApp-based interactions. The platform uses digital technology to make healthier meal planning more accessible,

convenient and engaging for consumers.

• **Online form submission or direct email contact**

Customers can submit feedback, product complaints, quality concerns and other queries through the online Contact Us form available on the Zydus Wellness corporate website - <https://zyduswellness.com/contact-us/>

Customers may also directly contact the Customer Care team through the dedicated email address provided at customercare@zyduswellness.com

• **Dedicated phone line**

Zydus Wellness has established a dedicated customer relationship cell and customer-care phone line to address customer grievances, feedback and queries. The helpline number 18001206868 enables customers to directly connect with the Company and seek assistance regarding its products and services.

• **In-person engagement**

Customer feedback may also be gathered through customer visits and interactions with the Company's sales teams. These direct interactions provide an additional channel for understanding customer concerns and collecting product- and service-related inputs.

Process to incorporate customer feedback into product and service development

Customer feedback is systematically registered and classified based on food-safety, product-

quality or service-related concerns. Relevant functions investigate the feedback, undertake root-cause analysis and implement corrective and preventive actions, wherever required. Feedback trends and resulting actions are reviewed by management to support continual improvement in product quality, food safety, service delivery and customer satisfaction. The process is aligned with the Company's Food Safety Management System and the principles of FSSC 22000 Version 6 and Codex Alimentarius.

Customer-service improvement mechanisms for elderly customers and persons with disabilities

Zydus Wellness considers accessibility, portability and ease of use at the product and packaging design stage.

Sugar Free Gold+ Tablets are offered in a compact container with a larger cap and textured surface to support easier handling by elder consumers with a weak grip, along with one-tablet-at-a-time dispensing. Sugar Free Natura Drops use a compact dropper format designed for convenient carrying, handling and controlled dispensing. These user-friendly features support easier and more convenient product use, particularly for elderly consumers and persons with handling difficulties.

Customer satisfaction measurement

Zydus Wellness conducts a structured Customer Satisfaction Index survey among its distributors to evaluate service quality and identify improvement opportunities. The assessment covers Delivery Operations & Stock Management, Order Accuracy & Documentation, Invoicing & Payments, Technology & Systems, Marketing & Business Support, and Relationship Management.

During FY 2025-26, 520 domestic and export distributors participated, generating a consolidated average satisfaction score of 72 out of 100.

Complaint handling and resolution process

Zydus Wellness has established a structured customer grievance-handling mechanism in accordance with applicable regulatory requirements and defined internal protocols. Customer inquiries are managed by the Customer Care team, while complaints are addressed by a dedicated team with support from relevant functions. Product-related concerns are reviewed by the Quality function, followed by corrective action and closure, wherever required.

• **Confirmation that the complaint has been received**

Customer complaints and feedback are registered and classified upon receipt, with relevant details captured for investigation and

resolution. The process proceeds through initial assessment, root-cause analysis, corrective and preventive action, customer response and closure.

• **Transparency on timelines for complaint resolution**

Complaints, feedback and queries received through the customer-care function are addressed within defined timelines in accordance with established internal protocols. During FY 2025-26, Zydus Wellness publicly reported resolution of 100% of customer complaints.

• **Independent external verification of the complaint-handling process**

The customer-feedback process is aligned with the Company’s Food Safety Management System and draws upon the principles of FSSC 22000 Version 6 and Codex Alimentarius.

Customer Satisfaction Measurement

To gauge the effectiveness of our distribution network and enhance our service quality, we initiated a Customer Satisfaction Index (CSI) survey amongst our Distributors.

The evaluation covered six key pillars:

- Delivery Operations & Stock Management
- Order Accuracy & Documentation, Invoicing & Payments
- Technology & Systems, Marketing & Business Support and Relationship Management.

Fatalities	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Target FY 2025-26
Satisfaction Measurement	Percentage of satisfied customers/ tenants	71.5	72	71.4	72	70
Coverage	Percentage of Customers	52	53	58	62	

Parameters of Evaluation

- **Delivery Operations & Stock Management** – Timeliness, completeness, and efficiency of stock replenishment.
- **Order Accuracy & Documentation** – Precision in order fulfilment and accuracy of shipping & billing documentation.
- **Invoicing & Payments** – Clarity, transparency, and ease of financial transactions.
- **Technology & Systems** – Effectiveness of digital platforms for order management and communication.

- **Marketing & Business Support** – Quality of promotional support, visibility initiatives, and business development assistance.
- **Relationship Management** – Responsiveness, engagement, and overall service experience with the company.

The analysis from this evaluation will help us drive continuous improvements and strengthen our distributor ecosystem for long-term success.

Our Commitments

Animal Welfare Commitment

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

Key Commitments:

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

Animal Welfare Disclosure

We believe and promote our suppliers request selling animal products to implement:

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

Product Health & Nutrition Commitment

At Zydus Wellness, we are committed to enhancing the health and well-being of our consumers through science-led innovation, responsible marketing, and transparent communication. Our approach to health and nutrition is guided by stringent scientific standards, consumer needs, and evolving public health goals. Our commitment outlines delivering safe, accessible, and nutritionally balanced products through the following core areas:

1. Improving Health & Nutrition of Products

We consistently work towards improving the nutritional profile of our products by:

- Reformulating products to reduce excess levels of added sugar, sodium, and saturated fat.
- Enhancing positive nutrition through fortification with essential vitamins, minerals, and bioactive ingredients.
- Aligning product design with national guidelines such as the RDA 2020 and global health priorities.
- Leveraging our in-house Zydus Wellness Institute to drive R&D efforts with expert nutritionists and scientists focused on sweetener science, pediatric and adult nutrition, protein, lipid sciences, and immunity.

The Zydus Wellness Institute serves as a dynamic knowledge hub that bridges the gap between cutting-edge scientific research and real-world societal benefits. By transforming complex R&D insights into clear, actionable education, the institute empowers healthcare professionals and consumers. Through scientific symposiums, expert panels and targeted educational programmes on topics such as sweeteners and nutrition, it fosters informed decision-making and healthier lifestyles.

2. Improving Affordability or Accessibility of Products

We are committed to making wellness more inclusive by:

- Offering a wide range of SKUs and formats catering to diverse price points.
- Extending product availability to underserved geographies and rural markets through innovative distribution models.
- Addressing public health gaps through need-based product innovation and nutrition research.

3. Product Portion Size and Context to Discourage Excess Consumption

To promote responsible consumption, we:

- Offer portion-controlled SKUs aligned with dietary guidelines.

- Clearly communicate serving sizes on packs to support mindful eating habits.
- Avoid marketing tactics that encourage overconsumption, particularly for children.

4. Marketing Communications Accurately Represent Product Characteristics

Our marketing practices are rooted in integrity and transparency. We:

- Adhere to the Ethical and Responsible Marketing Policy that governs all communications related to product health benefits.
- Ensure that all health and nutrition-related representations are factual research based, proportionate, and compliant with regulations.
- Provide full front-of-pack and back-of-pack nutritional declarations to support informed consumer decisions.

Here is our Ethical & Responsible Marketing Policy:

<https://zyduswellness.com/wp-content/uploads/2026/05/Ethical-and-Responsible-Marketing-Policy.pdf>

5. All Health & Nutrition Information and Claims Have a Scientific Basis

We are committed to scientific accuracy by:

- Backing all functional and health claims with

robust pre-clinical and clinical research.

- Conducting studies registered on the CTRI (Clinical Trials Registry of India) as per Indian and global guidelines.
- Regularly engaging expert panels from Zydus Wellness Institute and reputed external bodies to evaluate claim validity.

Through this commitment, Zydus Wellness affirms its responsibility to support healthier lifestyles and informed choices. Our integrated approach-spanning R&D, product formulation, marketing, and labeling-is designed to meet evolving consumer expectations while driving measurable public health impact.

6. Disclosure of Supplementary Nutrition Information on All Products in All Markets

We enable informed consumer choices by:

- Disclosing energy, fat, saturated fat, added sugar, sodium, and trans-fat values prominently.
- Displaying % RDA values in line with FSSAI guidelines across all product labels.
- Using standardized Nutritional Facts tables across brands for consistency and clarity.

7. Application of Nutrient Declaration on All Products in All Markets

Our nutrient labelling is comprehensive and transparent. We:

- Provide accurate nutrient declarations on 100% of our product portfolio.
- Adhere to FSSAI regulations and applicable global standards.
- Disclose macronutrient and micronutrient information for each serving and % RDA values in consumer-friendly formats.

Annexure

Annexure 1: ISO 14001 Certifications for factories:

- <https://zyduswellness.com/wp-content/uploads/2026/09/ISO-14001-2015-ZWL-Ahmedabad.pdf>
- <https://zyduswellness.com/wp-content/uploads/2026/04/ISO-14001-2015-ZWPL-Aligarh.pdf>
- <https://zyduswellness.com/wp-content/uploads/2026/04/ISO-14001-2015-ZWPL-Sikkim.pdf>

Annexure 2: ISO 45001 Certifications for factories:

- <https://zyduswellness.com/wp-content/uploads/2026/04/ISO-45001-2018-ZWL-Ahmedabad.pdf>
- <https://zyduswellness.com/wp-content/uploads/2026/04/ISO-45001-2018-ZWPL-Aligarh.pdf>
- <https://zyduswellness.com/wp-content/uploads/2026/04/ISO-45001-2018-ZWPL-Sikkim.pdf>

Our Governing Polices

Refer at <https://zyduswellness.com/investors/policies-governance/>

Our Reports

Integrated Annual report of Zydus Wellness or FY 2025-26 & FY 2024-25

<https://zyduswellness.com/wp-content/uploads/2026/08/IntegratedAnnual-Report-FY-2025-26.pdf>

<https://zyduswellness.com/wp-content/uploads/2026/08/IntegratedAnnual-Report-FY-2024-25-1.pdf>

Assurance Certificates

Independent Limited Assurance Statement to Zydus Wellness Limited on ESG Databook FY2025-26

To the Management of Zydus Wellness Limited, India

Introduction

Intertek India Private Limited ("Intertek") was engaged by Zydus Wellness Limited ("ZWL") to provide an independent limited assurance on selected sustainability disclosure reported in ESG Databook FY2025-26 ("the Report"). The scope of the Report comprises the reporting periods of FY2025-26. The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Objective

The objectives of this limited assurance exercise were to confirm whether any evidence existed that the selected sustainability disclosures in alignment with reporting guidelines, as declared in the Report, were not materially correct with the criteria outlined below.

Intended Users

This Assurance Statement is intended to be a part of the ESG Databook FY 2025-26 of ZWL or to be submitted to stakeholders.

Responsibilities

The management of ZWL's solely responsible for the development of the Report and its presentation. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to error.

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

Assurance Scope

The assurance has been provided for selected sustainability disclosures with reference to the reporting guideline, presented by ZWL in the Report. The assurance boundary included data and information for the manufacturing units and Corporate Office of ZWL in India. Our scope of assurance included verification of data and information on selected sustainability disclosures reported as summarized as below:

ESG Disclosure:

- Food waste generated and disposed during the manufacturing process.

Assurance Criteria

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

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

A limited assurance engagement comprises of limited depth of evidence gathering including inquiry and analytical procedures and limited sampling as per professional judgement of assurance provider. A materiality threshold level of 5% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and guideline.

Methodology

Intertek performed assurance work using risk-based approach to obtain information, explanations and evidence that was considered necessary to provide a limited level of assurance. The assurance was conducted by desk reviews, and stakeholder interviews with regards to the reporting and supporting records for FY 2025-2026. Our assurance task was planned and carried out during Sep'2026. The assessment included the following:

Review of processes and systems used to gather and consolidate data.

- Examined and reviewed documents, data, and other information made available digitally.
- Conducted virtual interviews with key personnel responsible for data management.
- Appropriateness of various assumptions, estimations and thresholds was assessed.
- Reviewed sustainability related data on sample basis for the duration from 1st April 2025 to 31st March 2026.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed.

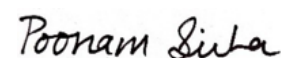
Conclusions

Intertek reviewed selected sustainability disclosures provided by ZWL in its ESG Databook FY2025-26. Based on the data and information provided by ZWL Intertek concludes with limited assurance that there is no evidence that the sustainability data and information presented in the Report is not materially correct as per reporting guidelines.

Intertek's Competence and Independence

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

For Intertek India Pvt. Ltd.



Poonam Sinha, Verifier
Sr. Manager Sustainability

2026/09/24



Elizabeth Mielbrecht, Reviewer
Project Director

2026/09/24

No member of the verification team (stated above) has a business relationship with Zydus Wellness Ltd. stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.

Independent Limited Assurance Statement to Zydus Wellness Limited on ESG Databook FY2025-26

To the Management of Zydus Wellness Limited, India

Introduction

Intertek India Private Limited ("Intertek") was engaged by Zydus Wellness Limited ("ZWL") to provide an independent limited assurance on selected sustainability disclosure reported in ESG Databook FY2025-26 ("the Report"). The scope of the Report comprises the reporting periods of FY2025-26. The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Objective

The objectives of this limited assurance exercise were to confirm whether any evidence existed that the selected sustainability disclosures in alignment with reporting guidelines, as declared in the Report, were not materially correct with the criteria outlined below.

Intended Users

This Assurance Statement is intended to be a part of the ESG Databook FY 2025-26 of ZWL or to be submitted to stakeholders.

Responsibilities

The management of ZWL's solely responsible for the development of the Report and its presentation. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to error.

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

Assurance Scope

The assurance has been provided for selected sustainability disclosures with reference to the reporting guideline, presented by ZWL in the Report. The assurance boundary included data and information for the manufacturing units and Corporate Office of ZWL in India. Our scope of assurance included verification of data and information on selected sustainability disclosures reported as summarized as below:

ESG Disclosures	Reporting Guidelines
Living wage	Anker methodology
Equal pay	Derivation based on GRI 405: Diversity and Equal Opportunity 2016: 405-2

Assurance Criteria

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

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

A limited assurance engagement comprises of limited depth of evidence gathering including inquiry and analytical procedures and limited sampling as per professional judgement of assurance provider. A materiality threshold level of 5% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and guideline.

Methodology

Intertek performed assurance work using risk-based approach to obtain information, explanations and evidence that was considered necessary to provide a limited level of assurance. The assurance was conducted by desk reviews, and stakeholder interviews with regards to the reporting and supporting records for FY 2025-2026. Our assurance task was planned and carried out during Sep’2026. The assessment included the following:
Review of processes and systems used to gather and consolidate data.

- Examined and reviewed documents, data, and other information made available digitally.
- Conducted virtual interviews with key personnel responsible for data management.
- Appropriateness of various assumptions, estimations and thresholds was assessed.
- Reviewed sustainability related data on sample basis for the duration from 1st April 2025 to 31st March 2026.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed.

Conclusions

Intertek reviewed selected sustainability disclosures provided by ZWL in its ESG Databook FY2025-26. Based on the data and information provided by ZWL Intertek concludes with limited assurance that there is no evidence that the sustainability data and information presented in the Report is not materially correct as per reporting guidelines.

Intertek’s Competence and Independence

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

people interviewed.

For Intertek India Pvt. Ltd.

Poonam Sinha

Poonam Sinha, Verifier
Sr. Manager Sustainability

2026/09/24

Beth Mielbrecht

Elizabeth Mielbrecht, Reviewer
Project Director

2026/09/24

No member of the verification team (stated above) has a business relationship with Zyduz Wellness Ltd. stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.

GHG Assurance Statement

Zydus Wellness Limited,

Zydus Corporate Park, Scheme No. 63,
Survey No. 536 Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle, S. G. Highway,
Ahmedabad – 382481, India.

SGS India Private Limited (hereinafter referred to as SGS India) was contracted by Zydus Wellness Limited (the ‘Company’) to conduct an independent assurance of its annual Greenhouse Gas (GHG) inventory for their Scope 3 pertaining to the reporting period of 1st April 2025 to 31st March 2026. The Company has developed its GHG inventory in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1 standard. SGS India has conducted a Limited level of Assurance for Scope-3 data. This assurance engagement was conducted in accordance with the “International Standard on Assurance Engagements (ISAE) 3410”.

SGS India verified the following parameters given in the Table below:

Scope 3 Data

Scope	Actual emission (tCo2)
Scope 3 GHG emissions in metric tons of CO2 eq	1,40,775.631

Verification Statement no: BA_ESG_4771520_GHG_V1
Statement Date: 12th August 2026

Zydus Wellness Limited,
Zydus Corporate Park, Scheme No. 63,
Survey No. 536 Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle, S. G. Highway,
Ahmedabad – 382481, India

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as SGS India) was contracted by Zydus Wellness Limited, (the ‘Company’) to conduct an independent assurance of its annual Greenhouse Gas (GHG) inventory for Scope 3 pertaining to the reporting period of April 1, 2025, to March 31, 2026. The Company has developed its GHG inventory in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1 standard. SGS India has conducted Limited Level Assurance for Scope 1, Scope 2 and Scope 3 data. This assurance engagement was conducted in accordance with the “International Standard on Assurance Engagements (ISAE) 3410”.

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Zydus Wellness Limited Stakeholders.

Responsibilities

The information in the report and its presentation are the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, calculation, and statements within the defined scope of verification, aiming to inform the Management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific purpose, and it is not intended for use in interpreting the overall

performance of the Company, except for the aspects explicitly mentioned within the scope. The Company holds the responsibility for preparing and ensuring the fair representation of the verification scope.

Assurance Standard

SGS India has conducted Limited Level Assurance for Scope 3. This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3410. Our evidence-gathering procedures were designed to obtain a 'Limited Level of Assurance' which involves the underlying assumption that the control environment and controls are reliable.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Zydus Wellness Limited, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance.

Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of ESG Indicators within the Sustainability report for the period April 1, 2025, to March 31, 2026. The reporting scope and boundaries including 4 manufacturing plants and 19 Offices (inc. R&D Centre).

Assurance Methodology

The assurance comprised a combination of pre-assurance research, interaction with the key personnel engaged in the process of developing the company's GHG inventory, on-site visits, and remote desk review & verification of data. Specifically, SGS

India executed the following activities:

- Interaction with key personnel from the head office and selected manufacturing locations to understand and review the current processes in place for developing the Company's GHG inventory.
- Assessment of internal control mechanism to ensure the reliability and accuracy of emission data.
- Review of the data management system used for collection and consolidation of emission data.
- Review of consistency of data/information within the GHG inventory and between the inventory and source.
- Evaluation of the appropriateness of the quantification methods used to arrive at Scope 1, Scope 2, and Scope 3 emissions with respect to the specific requirements of the GHG Protocol.
- Assurance of emission data on a sample basis, including conversion factors and emissions factors.

Limitations

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data reviews outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in "Findings and Conclusion."
- The assurance engagement considers an uncertainty of $\pm 3\%$ based on materiality threshold for Assumption/estimation/measurement errors

and omissions.

- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.
- The Company has estimated Scope 3, Category 1 (Purchased Goods and Services), Category 2 (Capital Goods) & Category 6 (Business travel) emissions using the spend-based method without adjusting the procurement expenditure data for inflation relative to the base year of the emission factors applied.

SGS India verified data on a sample basis; the responsibility for the authenticity of data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

Findings and Conclusions

Scope 3 inventory:

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information presented by the Company in its GHG Inventory report is not prepared, in all material respects, in accordance with the reporting criteria.

SGS India verified the following parameters given in the Table below:

Scope 3 Data:

Description	FY 2025-26
Category 1: Purchased goods and services	111258.83
Category 2: Capital goods	414.231
Category 5: Waste generated in operations	24.11
Category 6: Business travel	1078.05
Category 7: Employee commuting	1517.12
Category 8: Upstream Leased Assets	1164.62
Category 9: Downstream transportation and distribution	25318.67
Scope 3 Total Emissions	1,40,775.631

For and on behalf of SGS India Private Limited



Kalpesh Thombare
National Sustainability Manager –
ESG & Sustainability
Services, SGS India
12th, August 2026



Tushar Girigosavi
Lead Verifier – ESG & Sustainability
Services, SGS India
Team Member: Sarvesh Gurav
12th, August 2026



Registered Office: Zydus Corporate Park, Scheme
No. 63, Survey No. 536, Khoraj (Gandhinagar),
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Phone No.: +91 79-4804 0000, 7810 0000
Website: www.zyduswellness.com
CIN: L15201GJ1994PLCO2349