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# Zydus Wellness Limited

Registered Office: Zydus Corporate Park, Scheme No. 63, Survey No. 536, Near Vaishnodevi Circle, Khoraj (Gandhinagar), S. G. Highway, Ahmedabad-382481

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## Code of Business Conduct and Ethics For The Board of Directors and Senior Management

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The Board of Directors at its meeting held on 15<sup>th</sup> May, 2014 approved the following Code of Business Conduct as per the provisions of Schedule IV of the Companies Act, 2013 (“the **Act**”) and revised clause 49[II][E] of the Listing Agreement.

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### *Introduction*

- This revised Code of Conduct (“this **Code**”) shall be called “The Code of Conduct for Board Members and Senior Management” of Zydus Wellness Limited (hereinafter referred to as “the **Company**”).
- Revised as per regulation 17(5)(a) and 17(5)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the **Listing Regulations**”) and effective from November 15, 2021.
- The purpose of this code is to enhance further an ethical and transparent process in managing the affairs of the Company.

### *Definition & Interpretations*

- The term “Act” means the Companies Act, 2013.
- The term “Board Members” shall mean Directors on the Board of Directors of the Company.
- The term “Managing Director / Whole-time Director” shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the Company.
- The term “Independent / Non-Executive Director” shall mean Directors on the Board of Directors of the Company who are not in whole-time employment of the Company.

**Senior Management** shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

**Unpublished Price Sensitive Information (“UPSI”)** means any information, relating to the Company or its securities, directly or indirectly, that is not Generally Available Information, which upon becoming Generally Available Information, is likely to materially affect the price of the securities and shall ordinarily include but not restricted to information relating to the following:

- financial results;
- dividends;
- change in capital structure;
- mergers, de-mergers, amalgamation, acquisitions, delisting, scheme of arrangement or takeover, disposals, spin off or selling of division of whole or substantially the whole of the undertaking and expansion of business and such other similar transactions; and
- changes in key managerial personnel.

***Applicability:***

This code shall be applicable to the following persons:

- All Managing Director / whole-time Director
- All Independent / Non-Executive Directors.
- All Senior Management.

**1. *Ethical conduct:***

All Directors and Senior Management shall act in accordance with the highest standard of personal and professional integrity, honesty and business ethics in discharge of duties and promote professionalism in the Company.

**2. *Legal Compliance:***

All Directors and Senior Management shall at all times ensure compliance with relevant laws, rules and regulations affecting the operations of the Company. They shall stay abreast of the affairs of the Company and be kept informed of the Company’s compliance with relevant laws, rules and regulations.

Transactions, directly or indirectly, involving securities of the Company should be undertaken after complying with the Code of Conduct for Prohibition of Insider Trading.

**3. *Conflict of Interest:***

All Directors and Senior Management employees shall disclose actual and apparent conflicts of a material nature with the interests of the Company. All Directors and Senior Management shall not engage in any business, relationship or activity which

might detrimentally conflict with the interest of the Company. They shall not divert to his / her advantage any business opportunity that the Company is in pursuit.

**4. *Disqualification:***

All Directors shall inform to the Company immediately about any situation that may disqualify him / her from the Directorship.

**5. *Confidential Information:***

All Directors and Senior Management shall ensure that any confidential information or any UPSI gained in their official capacity is not utilized for personal profit or for the advantage of any other person i.e. the said information or IPSI can be shared only for legitimate purpose. They shall not provide any information either formally or informally to the press or to any other publicity media unless specifically authorised to do so. They shall adhere to the provisions of SEBI [Prohibition of Insider Trading] Regulations, 2015 and a Code adopted by the Board.

All Senior Management shall not make investments in any activity; business ventures of the customers, suppliers or competitors of the Company that may compromise on his / her responsibilities towards the Company and any such investments shall be with full disclosures to the Company.

**6. *Relationship with the suppliers, customers and consultants:***

All Directors and Senior Management shall not accept any offer, payment or anything of value from customers, vendors, consultants, etc. that is perceived as intended, directly or indirectly, to influence any business decisions. However, this is not intended to include gifts of a customary nature.

**7. *Office or Place of Profit:***

No Director shall hold office or place of profit in the Company by himself / herself or by his / her relatives without full disclosure of information in connection therewith.

All Senior Management shall not accept Directorship for any period with any Company and shall not take part in any activity that supports to a competitor. Key Managerial Personnel ("**KMP**") as defined under section 203 of the Act may be appointed as a Director of any other Company, provided that prior approval of Board, in which he / she is KMP is obtained.

**8. *Cost consciousness:***

All Directors and Senior Management shall not charge any personal expenses to the Company, other than contractual payments or any expenses actually incurred by him / her in the discharge of his / her duties. They shall strive for optimum utilization of available resources.

**9. *Independent judgement:***

All Directors shall exercise independent judgement on issues of strategy, performance, policy matters, etc.

**10. *Rightful use of the Company's assets:***

No Director and Senior Management shall misuse or divert the assets of the Company for personal purpose. All the assets of the Company, both tangible and intangible shall be employed for the purpose of conducting the business for which they are duly authorised.

**11. *Interaction with Media:***

No Director and Senior Management shall engage with any member of press and media in matters concerning the Company. The designated spokesperson shall only dialogue with the Media.

**12. *Environment Health and Safety:***

All Directors and Senior Management shall follow all safety and environment related norms.

The Company strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behavior are not permitted. Employees should report to work in a condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs or alcohol in the workplace is absolutely prohibited.

**13. *Transparency:***

All Directors and Senior Management shall ensure that all their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise. Such transparency shall be brought about through appropriate policies, systems and process.

**14. *Code for Independent Directors:***

All Independent Directors on the Board shall adhere to the Code for Independent Directors as prescribed in Schedule IV to the Act, under the provisions of section 149[7]. The Code is a guide to professional conduct for independent directors and includes adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner to promote confidence of investment community, particularly minority shareholders, regulators and companies

in the institution of Independent Directors. The Code provides for the guidelines of professional conduct, which *interalia* include the following:

1. He/She shall uphold ethical standards of integrity and probity,
2. He/She shall act objectively and constructively while exercising his duties,
3. He/She shall exercise his/her responsibility in a bonafide manner in the interest of the Company,
4. He/She shall devote sufficient time and attention to his/her professional obligations for informed and balanced decision making,
5. He/She shall not allow any extraneous consideration that will vitiate his exercise of objective independent judgement in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision making,
6. He/She shall not abuse his/her position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associate persons,
7. He/She shall refrain from any action that would lead to loss of his/her independence,
8. Where circumstances arise which makes an independent director lose his independence, he must immediately inform the Board accordingly and
9. He/She shall assist the Company in implementing the best corporate governance practices.

An Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company, which have occurred with his knowledge attributable through board processes, and with his positive consent or connivance or where he had not acted diligently with respect of the provisions contained in the Listing Regulations.

**15. *Certification by Directors and Senior Management:***

The Board and Senior Management shall every year affirm to the Board their compliance with the Code. The CEO & Whole Time Director will make a declaration in the Annual Report for each year that the above affirmations have been received from the Board and Senior Management.

**16. *Reporting of violations:***

The Board and Senior Management are responsible for reporting in good faith to the Company any circumstances that he / she believes may constitute a violation of this Code, as well as any other Company policies. One should direct policy violations to the Chief Financial Officer, Head - Human Resources or the Compliance Officer, in writing and only they will know about his/her identity.

The Company will investigate any matter so reported and will take appropriate corrective action. There will be no retribution against individuals for reporting in faith

of policy violations. However, individuals will not be protected from possible disciplinary action if matter reported is with a malicious intent (bad faith) or if the individual has otherwise engaged in misconduct.

**17. *Workplace free from harassment:***

The Company believes in maintaining dignity of human being irrespective of the race, religion, sex, creed, color or designation. The Company is committed to provide a work environment free of harassment. The Company policy prohibits sexual harassment and harassment based on pregnancy, childbirth or related medical conditions, race, religious creed, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation, or any other basis protected by, state, or local law or ordinance or regulation from time to time.

**18. *Disciplinary actions:***

The matters covered in this Code are of the utmost importance to the Company and its stakeholders and are essential to the Company's ability to conduct its business in accordance with its high standards of rich values. We expect all of our Board Members, employees, agents, contractors and consultants to adhere to these rules in carrying out their duties for the Company.

The Company will take appropriate disciplinary action against the person whose actions are found to violate this code.

**19. *Power to amend the Code:***

The Board shall be authorized to delegate the powers to any Committee or any authorized representative of the Company, to make any amendment(s) to the Code.

The amendments made by the Committee or the authorized representative shall be ratified by the Board at the immediate next Board meeting.

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