



# ESG DATABOOK



Financial Year  
**2024-25**



# Content

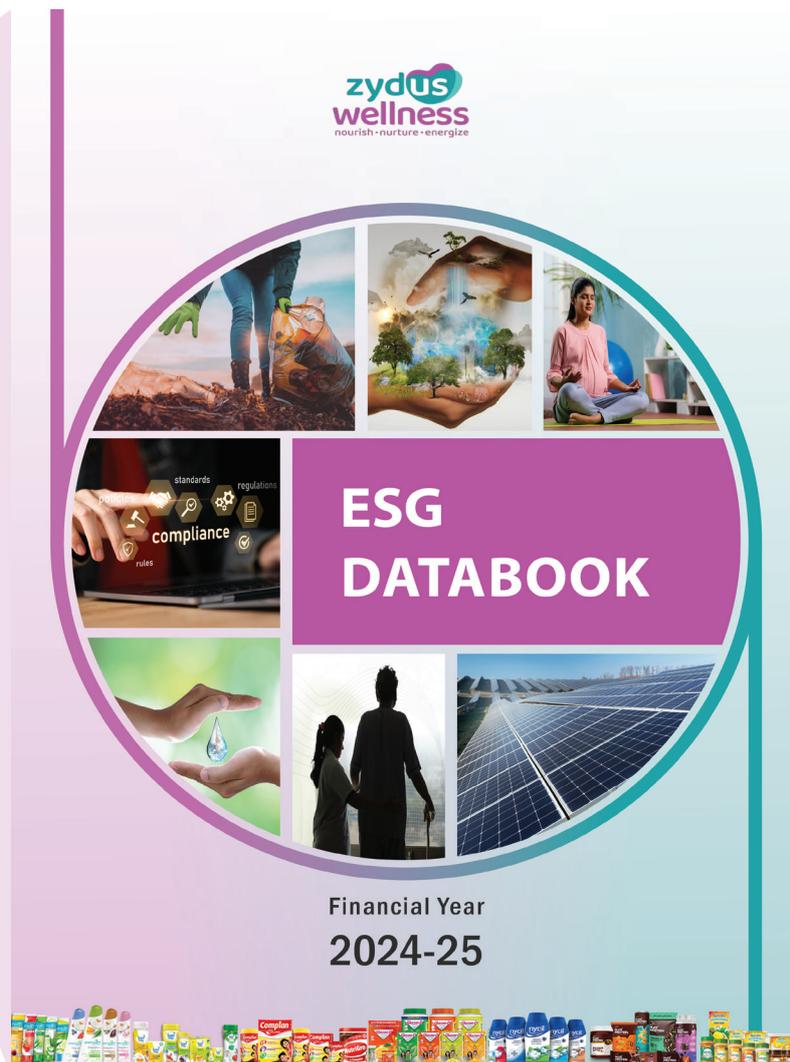
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# About the Report

At Zydus Wellness Limited (“Zydus Wellness” / “the Company”), we remain committed to our philosophy of creating products that bring “wellness wave” into people’s lives. As part of this journey, we have taken a conscious step to share our sustainability progress with all stakeholders. This Databook outlines the Environmental, Social, and Governance (ESG) information that guides the way we do business and sets the tone for our ongoing sustainability journey.

The ESG Databook focuses on the period between April 1, 2024, to March 31, 2025 (FY 2024-25). The disclosure under this report for FY 2024-25 includes the Standalone Parent Company i.e., Zydus Wellness Limited, its wholly owned Indian subsidiary companies, four manufacturing facilities across three locations at Aligarh, Ahmedabad, Sikkim (2 units) and national and international offices.



# About Zydus Wellness

## Company Overview

Founded in 1988, Zydus Wellness Limited is a leading consumer health and wellness company with deep roots in Indian heritage and a growing global presence. Over the years, we have evolved into a diversified wellness powerhouse, dedicated to nourishing, nurturing, and energizing lives through a holistic approach to well-being. We believe a healthy lifestyle goes beyond staying active—it’s about feeling good from within. Our portfolio spans a wide range of innovative, market-leading products, including sugar substitutes, energy drinks, health nutrition drinks, fortified beverages, low-calorie foods, energy bars, and personal care products.

With over 35 years of operational excellence, our trusted, category-leading brands include Sugar Free, I’m Lite, Glucon-D, Nutralite, Everyuth, Nycil, Complian, and RiteBite Max Protein.



Glucon-D



Ritebite



Complian



Sugarfree & I'm Lite



Nutralite



Everyuth



Nycil

# Company Information

## Revenue and Employees

(₹/\$ in Million)

Revenue				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Consolidated Revenues (Figures are Reported Revenues)	₹ 20,091	₹ 22,547.9	₹ 23,417	₹ 27,225
Consolidated Revenues in US Dollars (Revenues in US dollars at the exchange rate of fiscal year-end date)	\$ 269.7 (\$/₹: 74.50)	\$ 280.4 (\$/₹: 80.40)	\$ 280.9 (\$/₹86.51)	\$ 318.2 (\$/₹85.54)
Employees				
Total Employees (Permanent employees)	700	748	818	1,247
Male	661	705	758	1,177
Female	39	43	60	70



# Message from Leadership

## Message from our CEO



### Tarun Arora

CEO & Whole Time Director

Zydus Wellness Limited

Dear Stakeholders,

In today's rapidly evolving world, every challenge brings new opportunities and lessons. These experiences continue to reinforce our commitment to Environmental, Social, and Governance (ESG) excellence—driving us to build a sustainable, responsible, and resilient future.

At Zydus Wellness, Sustainability is not an afterthought—it is embedded in our strategy, operations, and culture. We remain steadfast in managing our business responsibly, strengthening community resilience, and aligning our efforts with the global transition towards a greener future. With innovation and sustainability at the heart of everything we do, we are proud to present our ESG Databook for FY 2024–25.

#### Environmental Responsibility

From the outset, we have worked to harmonize business growth with the well-being of the planet, focusing on carbon reduction, energy efficiency, water stewardship, and green technologies. This commitment shaped our actions in FY 2024–25, where we recorded significant progress across multiple fronts.

On Energy, we delivered a 22.18% reduction in specific energy consumption along with a 9% absolute reduction in total energy use compared to FY 2023–24, reflecting our relentless focus on operational efficiency. In water stewardship, we achieved a 7.35% reduction in specific water consumption and a 5% absolute reduction in total water use. Our leadership in Green fuels grew stronger, with 88.3% of total energy being sourced, while renewable capacity expanded through a 2 MW Solar PPA at Aligarh and another underway at Ahmedabad.

Strengthening our climate agenda, we conducted a TCFD-aligned Climate Risk and Biodiversity Risk Assessment across all operational locations last year, followed by a comprehensive mitigation plan to ensure long-term resilience. Building on this foundation, we have now committed our Scope 1 and 2 Emission reduction targets to SBTi, reinforcing our climate ambitions and alignment with global standards.

Extending our commitment beyond our operations, we advanced a Sustainable Supply Chain by embedding ESG practices with our Vendors and initiating ESG assessments for critical Suppliers.

## Our Key Sustainability Goals:

- Achieving 50% renewable energy use by 2030.
- Retrofitting facilities to cut direct GHG emissions by 50% by 2030 and reach carbon neutrality by 2040.
- Reducing freshwater consumption by 25% by 2030.
- Ensuring 100% compliance of critical active suppliers and co-packers with ZWL Sustainability Standards.

## Social Impact

Our growth and success is rooted in the shared prosperity of our communities. Through our Doodh-Shakti initiative, we empower local dairy farmers with training in animal husbandry, nutrition, milk handling, and productivity—improving both livelihoods and quality of produce. Within our organization, we foster a safe, inclusive, and empowering workplace—one that champions diversity, well-being, and continuous growth. A testament to this commitment is our achievement of maintaining Zero 'Lost Time Injuries' (LTI) in FY 2024–25, reinforcing our culture of care and safety excellence.

## Governance for Sustenance

Strong governance underpins our ESG commitments. Our CSR & ESG Committee, chaired by our Chairman- Dr. Sharvil Patel, meets annually to review progress, align strategy, and report directly to the Board of Directors. ESG goals form a core part of our leadership team's non-financial performance metrics, ensuring accountability and long-term value creation.

## Looking Ahead

Anchored by ESG principles, we continue our commitment to bringing Wellness to Life—through the pillars of Nourish, Nurture, and Energize. This report shares our progress and priorities while setting the course for what lies ahead. As we move forward, we invite your perspectives to help us create a lasting and meaningful impact—together.

Thank you.

**Tarun Arora**  
**CEO & Whole Time Director**  
**Zydus Wellness Limited**



## Message from our ESG Head



### Ravindra Kumar Singh

Head-ESG

Zydus Wellness Limited

The companies that endure are those that view Sustainability not as an initiative, but as a strategy for lasting relevance and growth. Guided by this belief, Zydus Wellness embraces sustainability as a core business strategy—driving responsible growth, long-term resilience, and forming the foundation for creating value and conducting business with integrity.

During the year, we built on the strong ESG foundation established over the past three years and achieved several key milestones:

**Science Based Targets initiative (SBTi) Commitment:** We formally committed our Scope 1 and Scope 2 emission-reduction targets to SBTi, reinforcing alignment with global climate science.

**TCFD-Aligned Climate Strategy:** Building on last year's TCFD climate-risk study, we carried out detailed scenario analysis and translated the findings into concrete mitigation plans to enhance climate resilience across all operations.

**Scope 3 Emissions Accounting:** In our second year of Scope 3 reporting, we extended the coverage to include all major Capital-expenditure

items from last year's significant capital-goods investments and obtained independent third-party assurance. This offers a comprehensive view of our impacts and helps in targeted emission-reduction pathways.

**Assurance & Transparency:** Along with reasonable assurance for BRSR Core disclosures, we secured independent third-party assurance for our Living Wage and Equal Pay commitments and formalized a structured Materiality Assessment to guide ESG priorities.

**Responsible Supply Chain:** We expanded our ESG assessment program to cover a larger share of Vendors, supporting them with guidance to strengthen their ESG compliance.

**Inclusive & Secure Workplace:** We established Gender diversity targets and introduced an IT and cybersecurity policy framework to safeguard data and ensure digital resilience.

**Resource Stewardship & Climate Action:** We implemented an enterprise-wide Water Risk Management approach to secure water resources and introduced an Internal Carbon Pricing

mechanism to embed the cost of carbon into decision-making and capital allocation.

**Biodiversity Assessment & Mitigation Actions:**

Building on the biodiversity assessment conducted last year, we have updated and strengthened our mitigation actions to address key risks and enhance ecosystem resilience.

Our ESG framework remains anchored on four pillars—People & Communities, Governance, Environmental Stewardship, and Sustainable Growth—ensuring that we integrate Sustainability principles into every strategic decision and drive shared prosperity across our Operations and Supply chain.

As we look ahead, transparency and accountability remain central to our Sustainability Journey. We are grateful for the continued engagement of our stakeholders as we pursue a more responsible, resilient, and future-ready Zydus Wellness.

This ESG report reflects our progress, challenges, and aspirations. We remain steadfast in making sustainability a core driver of our growth story—delivering meaningful change for our people, our planet, and generations to come.

**Ravindra Kumar Singh**  
Head- ESG  
Zydus Wellness Limited



## Message from our CFO



### Umesh Parikh

Chief Financial Officer  
Zydus Wellness Limited

We at Zydus Wellness believe that strong governance, responsible financial management, and sustainability are the pillars of long-term value creation. We have strengthened our governance oversight at the very heart of strategic decision-making. This ensures that our business strategy is guided by transparency, accountability, and ethical practices, helping us remain resilient, future-ready, and aligned with stakeholder expectations in a rapidly evolving global landscape.

Effective strategic risk management is central to our sustainable performance. By leveraging a comprehensive, enterprise-wide framework, we proactively identify, assess, and mitigate risks—ensuring business continuity, regulatory compliance, and operational stability. As digital transformation advances, we continuously strengthen IT governance and cybersecurity to safeguard operations and stakeholder data.

Our growth is powered by Innovation and guided by Responsibility. Investments in R&D, renewable energy, resource efficiency, and responsible sourcing help us anticipate market needs, deliver sustainable solutions, and create long-term value. Initiatives in carbon reduction, energy optimization,

waste management, and biodiversity strengthen resilience while supporting global climate goals.

Every action we take, is anchored in our Code of Conduct and a culture of ethical decision-making. By aligning ESG goals with financial strategy, we aim to generate sustainable economic growth while fostering stakeholder confidence and trust. As we move forward, our focus remains on integrating ESG principles across every aspect of our operations, driving financial prudence, ethical decision-making, and sustainable innovation. We are committed to build a future where profitability and purpose coexist—creating lasting value for our stakeholders, employees, and communities.

We invite you to explore this ESG report, which highlights our commitments, initiatives, and progress toward a stronger, more responsible future.

**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 2024-25 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 2024-25.

Zydus Wellness has also published its sustainability disclosures as a part of the Integrated Annual Report for the financial year 2024-25 which is available on the following link:

<https://www.zyduswellness.com/investor/IntegratedAnnual-Report-FY-2024-25.pdf>

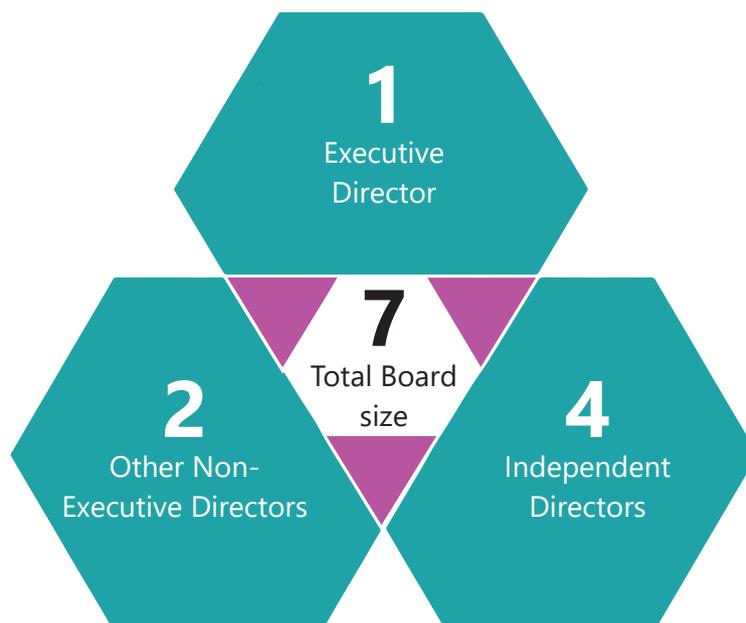
refer page number 174 to 211 – BRSR.

The Company has also obtained Independent Reasonable Assurance on BRSR Core parameters. The Reasonable Assurance Statement is available on the following link

<https://www.zyduswellness.com/investor/IntegratedAnnual-Report-FY-2024-25.pdf>

refer page number 209 to 211.

## Board of Directors: One-Tier system



# Corporate Governance

Particular	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: <a href="https://www.zyduswellness.com/investor/board-diversity-policy-feb-23.pdf">https://www.zyduswellness.com/investor/board-diversity-policy-feb-23.pdf</a>
Average tenure of Board members	9.6 Years

## Board Independence Criteria

### Name of the Directors:

- Ms. Dharmishtaben N. Raval
- Mr. Srivishnu R. Nandyala
- Mr. Kulin S. Lalbhai
- Mr. Akhil A. Monappa
- Mr. Savyasachi S. Sengupta

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

## 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 FY24-25: 89.2%
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: 7 <ul style="list-style-type: none"> <li>• Mr. Srivishnu R. Nandyala</li> <li>• Ms. Dharmishtaben N. Raval</li> <li>• Mr. Kulin S. Lalbhai</li> <li>• Mr. Akhil A. Monappa</li> <li>• Dr. Sharvil P. Patel</li> <li>• Mr. Ganesh N. Nayak</li> <li>• Mr. Ashish Bhargava</li> </ul> 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

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

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

## 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

Particular	Indicators/Measures
Average Age	53 years
Age Diversity: 31-40 years	14.2%
Age Diversity: 41-50 years	28.6%
Age Diversity: 51-60 years	28.6%
Age Diversity: 61-70 years	28.6%

## Management Ownership

Position	Name(s)	Multiple of base salary
Chief Executive Officer	Mr. Tarun Arora	0.10
Average across other executive committee members owning shares	Mr. Umesh Parikh, Mr. Manish Joshi, Mr. Manoj Kothari and Mr. Himanshu Pandey	0.25

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

## CEO-to-Employee Pay Ratio

Particular	Compensation
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)	₹ 14.17 Million
Median annual employee compensation (Except CEO )	₹ 0.64 Million
Ratio of CEO to the median remuneration of the employee	22.14

## 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, 2025 Integrated Annual Report on page no. 245 at <https://www.zyduwellness.com/investor/IntegratedAnnual-Report-FY-2024-25.pdf>

## Family Ownership

Founding individuals / family members owns more than 5% of total voting rights of the Company as on March 31, 2025, as under:

Shareholder	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. 245 of the Integrated Annual Report at <https://www.zyduswellness.com/investor/IntegratedAnnual-Report-FY-2024-25.pdf>

## ESG Governance Oversight

Board Oversight	CSR & ESG Committee
Executive Oversight	ESG Steering Committee
Designated role to oversee ESG/sustainability issues below C-suite:	Ravindra Kumar Singh, ESG Head

## Materiality Analysis

Last materiality analysis conducted / reviewed in	FY 2024-25
Frequency of conducting materiality assessment	Once every 2 or more 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



## Material Issues for Enterprise Value Creation

Particulars	Material Issue 1	Material issue 2	Material Issue 3
Material Risk or Opportunity - material risk or opportunity impacting our business	Plastic & Waste Management	Energy & Emissions	Water
Business Case - rationale for why this issue is material to our business	<p>In the food and wellness industry, packaging is critical for product integrity and quality. However, plastic packaging poses significant environmental challenges, from pollution to ecosystem harm. With rising consumer concerns and evolving regulations, sustainable packaging has become both a business necessity and an opportunity.</p> <p>By prioritizing plastic reduction, recycling, and eco-friendly alternatives, Zydus Wellness mitigates reputational and compliance risks while meeting the expectations of environmentally conscious consumers. This also drives innovation in packaging materials, delivers long-term cost efficiencies, and strengthens operational resilience.</p> <p>Our approach reflects the belief that sustainability is not just compliance but a pathway to creating shared value. Through collaboration and research investments, we are actively developing solutions that balance environmental responsibility with product excellence.</p>	<p>For Zydus Wellness, effective energy and emissions management is critical to operational efficiency, business performance, and long-term growth. By adopting energy-efficient technologies and shifting to renewable sources, we reduce costs, enhance productivity, and strengthen competitiveness in an increasingly eco-conscious market.</p> <p>With growing regulatory and consumer scrutiny in India, proactive action on emissions and energy use is vital to compliance, brand reputation, and resilience. Moreover, aligning with national sustainability goals positions Zydus Wellness as a responsible corporate citizen, enabling market growth while contributing to a low-carbon future.</p>	<p>Water scarcity poses a direct risk to Zydus Wellness, as all our plants are located in water-stressed regions. Limited availability not only threatens production but may also reduce consumer demand for water-intensive products. In dairy operations, shortages impact livestock well-being, milk yield, and supply chain efficiency.</p> <p>Unpredictable seasonal patterns further amplify risks to production schedules and business continuity. Recognizing water as a material issue, Zydus Wellness is committed to sustainable water management—safeguarding operations, building resilience, and advancing responsible stewardship in line with national and global sustainability goals.</p>
Business Impact:	Cost	Risk & Opportunity both.	Risk

<p>Business strategies - our primary business strategies, initiatives or products that address this issue:</p>	<p>Zydus Wellness is proactively addressing risks from plastic and waste management through a combination of compliance, innovation, and material efficiency:</p> <ul style="list-style-type: none"> <li>• <b>EPR Commitments:</b> We collaborate with government-approved waste collection agencies and recyclers, exceeding our Extended Producer Responsibility (EPR) targets. In FY 2024–25, we recycled and safely disposed 13,501 tons of post-consumer plastic waste.</li> <li>• <b>Packaging Reduction:</b> Initiatives over the last two years saved 350 tons of packaging material, with a goal of 1,000 tons cumulative savings through projects across Nycil bottles, Sugarfree powder concentrate packs, Complian cartons, and corrugated boxes.</li> <li>• <b>Material Transition:</b> We are phasing out multi-material packaging (Category 3) to shift toward multi-layer plastic (Category 2) and ultimately 100% recyclable materials by FY 2027–28.</li> <li>• <b>Innovation in Materials:</b> Replacing aluminum-based laminates with recyclable all-plastic laminates (e.g., Glucon-D sachets) and piloting Post-Consumer Recycled (PCR) material for products like Everyuth body lotion, in line with the Plastic Waste Management Act.</li> </ul> <p>Through these initiatives, we aim to mitigate environmental risks, strengthen compliance, and deliver sustainable packaging solutions that balance product excellence with environmental responsibility.</p>	<p>At Zydus Wellness, Energy &amp; Emissions is both a risk and an opportunity—posing challenges such as rising energy costs and regulatory compliance, while also creating opportunities to innovate, cut costs, and strengthen market positioning through sustainable practices.</p> <p>To address these risks and unlock long-term value, we have set ambitious 2030 targets (baseline FY 2022):</p> <ul style="list-style-type: none"> <li>• 50% reduction in GHG emissions from direct operations.</li> <li>• 50% improvement in energy efficiency through process optimization and efficiency gains.</li> <li>• 50% share of renewable energy in total energy consumption.</li> </ul> <p><b>Key Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Adoption of advanced technologies and process optimization to enhance energy efficiency.</li> <li>• Transition to greener fuels wherever feasible, reducing reliance on conventional energy sources.</li> <li>• Scaling up solar energy, with solar already deployed at our Aligarh Plant in FY 2024–25, and plans to extend across other facilities.</li> </ul> <p>Through these initiatives, Zydus Wellness not only mitigates regulatory and operational risks but also contributes to a low-carbon future, ensuring business resilience and sustainable growth.</p>	<p>Water management is a key pillar of Zydus Wellness’s sustainability strategy, critical for operational resilience and long-term continuity. Recognizing water as a material risk, we aim to reduce water intensity by 25% by 2030 (baseline FY 2022) through process optimization, efficiency improvements, and adoption of advanced treatment technologies.</p> <p><b>Key Initiatives:</b></p> <ul style="list-style-type: none"> <li>• <b>Comprehensive Water Risk Assessment:</b> Using the WRI tool, we identified high-risk sites such as Ahmedabad and Aligarh. Interventions include sourcing surface water (e.g., Narmada River for Ahmedabad) and impact assessments in Aligarh to ensure responsible groundwater use.</li> <li>• <b>Zero Liquid Discharge (ZLD):</b> Achieved 100% ZLD across all sites.</li> <li>• <b>Rainwater Harvesting &amp; Reuse:</b> At Aligarh, a community-benefiting rainwater pond has been created. We also reuse milk and steam condensate for tanker washing, floor cleaning, and water treatment.</li> <li>• <b>Forestation &amp; Landscaping:</b> Miyawaki forestation at Aligarh and tree plantation drives at other sites; treated water from ETP/STP is used for landscaping and toilet flushing.</li> </ul> <p>Through these initiatives, Zydus Wellness mitigates water risks, ensures operational efficiency, and reinforces its commitment to environmental stewardship and community well-being.</p>
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## Material Metrics for Enterprise Value Creation

Employee Compensation	Material Issue 1	Material Issue 2	Material Issue 3
Material Issue	Plastic & Waste Management	Energy & Emissions	Water
Target/Metric	<p>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.</p> <ul style="list-style-type: none"> <li>ZW aims at saving 350 tons of packaging material annually, contributing to its goal of reducing 1,000 tons over the next three years.</li> <li>All sites to achieve Zero Waste to Landfill status by 2030 through the implementation of robust recycling practices and a structured approach to waste reduction.</li> <li>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.</li> </ul>	<p>The Company has established ambitious goals for the year 2030 compared to the base line year FY 2022:</p> <ul style="list-style-type: none"> <li>Reduction of GHG Emission in Direct Operations by 50% by 2030.</li> <li>Energy Saving of 50% by 2030 through Process Optimization &amp; Efficiency improvement.</li> <li>Increasing the contribution of Renewable Energy to 50% of total requirement, by 2030.</li> </ul>	<p>25% reduction in water intensity by FY 2030 vs base FY 2022.</p> <ul style="list-style-type: none"> <li>All sites to be Zero Liquid Discharge</li> </ul>
Target Year	2030	2030	2030

<p>Progress</p>	<p>We have significantly advanced waste recycling, increasing volumes from 1,240 MT in FY24 to 2,840 MT in FY25. Reasonable assurance is also carried out for the same by Independent third party.</p> <p>Over two years, our initiatives have helped eliminate 350 tons of packaging, moving steadily towards the 1,000-ton reduction goal.</p> <p>Progress is also underway on packaging innovation, with pilots for fully recyclable formats and a defined roadmap to transition from Category 3 to Category 2 packaging by 2027.</p> <p>Recognizing external challenges, we have recalibrated our 100% recyclable packaging target to 2030, while continuing to allocate 10–15% of our annual budget and 20% of development efforts toward sustainability-driven solutions.</p>	<p>We achieved a notable reduction in energy intensity, improving from 31.4 in FY24 to 24.6 in FY25.</p> <p>Similarly, Scope 1 &amp; 2 emissions intensity decreased from 1.7 to 0.8, driven largely by a sharp decline in coal use and a transition to sustainable alternative fuels and solar energy. These improvements underscore our strong progress in decarbonization, further validated through reasonable assurance by an external agency.</p>	<p>We achieved a reduction in water intensity, improving from 17.52 in FY24 to 14.4 in FY25 (water consumed/turnover in lakhs).</p> <p>This progress has been independently validated through reasonable assurance by an external agency. In addition, we conducted a comprehensive water risk assessment to identify potential vulnerabilities and guide targeted mitigation actions.</p>
<p>Executive Compensation</p>	<p>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.</p>	<p>Energy Index &amp; 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.</p>	<p>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.</p>

## Material Issues for External Stakeholders

Particulars	Impact 1	Impact 2
Material Issue for External Stakeholders	Customer Grievance Management	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	<p>In the competitive FMCG sector, effective grievance management is critical for sustaining consumer trust and brand loyalty. Timely resolution of complaints not only enhances customer experience but also uncovers areas for product and service improvement. With digital platforms amplifying consumer voices, robust systems are essential to safeguard reputation. Moreover, regulatory frameworks in India mandate accountability and transparency in addressing consumer issues. A strong grievance management framework helps FMCG companies mitigate risks, build confidence, and reinforce market position.</p> <p>Type of impact: Positive</p>	<p>Water scarcity is a critical challenge for India, which houses 18% of the global population but has access to just 4% of global water resources. Projections suggest that by 2030, the country may have only half the water required for agricultural, household, and industrial needs, posing significant risks to industries in water-stressed regions. For Zydus Wellness, water is a vital input for manufacturing and dairy operations, with livestock health and milk production closely dependent on adequate water availability. With several plants located in high water-stress areas, responsible water management is essential to safeguarding supply chain efficiency and business continuity.</p> <p>To address this, we have conducted comprehensive water risk assessments across our sites, enabling targeted interventions. Alongside, we are driving conservation measures and innovative reuse strategies to mitigate risks while strengthening long-term water security for both our business and surrounding communities.</p> <p>Type of impact: Positive</p>

## Material Metrics for External Stakeholders

Employee Compensation	Impact 1	Impact 2
Material Issue for External Stakeholders	Customer Grievance Management	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.	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
<b>Board Level Oversight</b> Members of the Risk Management Committee (Independent, Non-Executive Directors).	<ul style="list-style-type: none"> <li>Dr. Sharvil P. Patel,</li> <li>Mr. Kulin S. Lalbhai</li> <li>Mr. Akhil A. Monappa</li> </ul>	
<b>Operational Risk Ownership (first line)</b> 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
<b>Risk Management and Compliance Oversight (second line)</b> 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
<b>Independent Audit Unit (third line)</b> 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
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

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

Risk Review	Description
Description of the company-specific risk exposure (considering likelihood and magnitude) of at least two identified risks	<p>Zydus Wellness faces exposure in plastic and waste management due to increasing regulatory pressure and consumer demand for sustainable packaging. The likelihood of stricter compliance norms is high, with significant financial and reputational implications.</p> <p>To address this, the company targets 100% recyclable plastic by 2030, zero waste to landfill, and 1,000 tons packaging waste reduction in three years. Similarly, energy and GHG emissions pose a high-likelihood, high-magnitude risk due to rising energy costs and evolving climate regulations. The company has committed to reduce direct GHG emissions by 50%, achieve 50% energy savings, and source 50% renewable energy by 2030, safeguarding cost competitiveness and compliance.</p>
Description of process or framework to determine the risk appetite for identified risks	<p>The company's Board-approved Risk Management Policy and Risk Management Committee (RMC) define the risk appetite, aligned with strategic objectives and regulatory standards. Risks are assessed on likelihood and impact (high, medium, low) and tracked in a dynamic risk register reviewed at least twice a year. High-rated risks are escalated to the Audit Committee and Board for oversight, ensuring that the company's risk appetite remains balanced between growth opportunities and resilience against adverse outcomes.</p>
Description of mitigating actions for at least two identified risks	<p>For plastic and waste management, Zydus Wellness is implementing packaging innovation, transitioning to recyclable materials, and reducing landfill waste, which lowers compliance risks and enhances brand trust. For energy and GHG emissions, the company is investing in renewable energy, process optimization, and efficiency improvements to cut carbon emissions and operating costs. These mitigating actions not only address immediate risks but also create long-term opportunities through cost savings, sustainability-linked financing, and strengthen stakeholder confidence.</p>
Risk Exposure	Description
At least twice a year or more frequently	Risks are assessed on likelihood and impact, captured in a risk register, and reviewed at least twice a year by the Risk Management Committee and Audit Committee.

Risk Management Process Audit	Description
Yes, we have conducted an internal audit in the last two years	Zyduz Wellness has a robust internal audit mechanism carried out by an independent professional firm. The internal audit function evaluates the adequacy and effectiveness of internal controls, risk management, and compliance processes across operations. Findings are reviewed by the Audit Committee, which monitors implementation of corrective actions to strengthen governance and risk management practices.
Yes, we have conducted an external audit in the last two years	In addition to internal audits, the company's financial statements and internal financial controls are independently reviewed by Statutory Auditors. The external audit provides assurance on the accuracy of financial reporting, compliance with applicable laws, and robustness of internal control systems, thereby reinforcing transparency and stakeholder confidence.
Risk Management Process Audit	Description
Regular risk management education for all non-executive directors	<p>The company provides recurring and specific risk management education to Board members, ensuring they remain updated on emerging risks, governance frameworks, and sectoral challenges.</p> <p>This goes beyond standard risk reporting, equipping directors with the knowledge to make informed strategic decisions and oversee management effectively.</p>
Focused training throughout the organization on risk management principles	Focused training on risk management principles is provided at a group-wide level, covering areas such as compliance, operational safety, sustainability, and regulatory risks.
Incorporation of risk criteria in the development of products and services	<p>The company incorporates risk criteria into product and service development, linking decisions to financial, regulatory, operational, and environmental risk considerations.</p> <p>Examples include sustainable packaging innovation, energy-efficient operations, and compliance-focused product design, which strengthen resilience and market competitiveness.</p>
Financial incentives which incorporate risk management metrics	<p>Performance-linked incentives are structured around meeting risk-related objectives, particularly in priority areas such as health &amp; safety, compliance, and governance.</p> <p>By tying incentives to risk outcomes, the company reinforces accountability and ensures that risk-conscious behaviour is embedded in day-to-day decision-making.</p>

## Emerging Risk

Particular	Emerging Risk 1	Emerging Risk 2
Name of the risk	Climate Change & Water Scarcity	Trade Fragmentation & Import Dependency on Ingredients
Category	Environmental	Geopolitical
Description	Increasing heatwaves, erratic monsoons, and water stress in India affecting agricultural supply chains. Zydus Wellness relies on water-intensive manufacturing and agricultural inputs such as dairy, soya, and plant extracts.	Dependence on imported specialty ingredients, packaging, and nutraceutical actives, with risks from trade protectionism, geopolitical tensions, and supply chain bottlenecks.
Impact	<ul style="list-style-type: none"> <li>• Volatility in availability and price of key raw materials.</li> <li>• Operational disruptions at plants due to water shortages.</li> <li>• Higher input costs and insurance premiums.</li> <li>• Regulatory and consumer scrutiny on water stewardship.</li> </ul>	<ul style="list-style-type: none"> <li>• Production delays due to late arrival of imported inputs.</li> <li>• Escalating costs from tariffs, freight, and forex volatility.</li> <li>• Supply shortages affecting product availability.</li> <li>• Strategic risks if inputs are restricted or unavailable.</li> </ul>
Mitigation Actions	<ul style="list-style-type: none"> <li>• Conducted climate and water risk mapping for sites and Tier-1 suppliers.</li> <li>• Implemented water efficiency programs (recycling, rainwater harvesting, zero liquid discharge).</li> <li>• Strengthened supplier partnerships for sustainable agriculture.</li> <li>• Diversified sourcing of climate-sensitive ingredients.</li> <li>• Integrated environmental KPIs into procurement and sustainability scorecards.</li> </ul>	<ul style="list-style-type: none"> <li>• Diversified sourcing across multiple geographies and identified alternate domestic suppliers.</li> <li>• Built strategic buffer stocks for critical imported inputs.</li> <li>• Introduced flexible formulations to reduce single-source dependency.</li> <li>• Strengthened trade monitoring and early-warning systems.</li> <li>• Negotiated long-term contracts to secure pricing and supply continuity.</li> </ul>

## 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	<a href="http://www.zyduswellness.com/investor/code-of-business-conduct-and-ethics-policy.pdf">www.zyduswellness.com/investor/code-of-business-conduct-and-ethics-policy.pdf</a>  <a href="http://www.zyduswellness.com/investor/Zydus%20Business%20Conduct%20Policy.pdf">www.zyduswellness.com/investor/Zydus%20Business%20Conduct%20Policy.pdf</a> Page 1
Dedicated help desks, focal points, ombudsman, hotlines	<a href="https://www.zyduswellness.com/investor/Whistle%20Blower%20Policy%2002-08-24.pdf">https://www.zyduswellness.com/investor/Whistle%20Blower%20Policy%2002-08-24.pdf</a>
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.  <a href="https://www.zyduswellness.com/investor/Zydus%20Business%20Conduct%20Policy.pdf">https://www.zyduswellness.com/investor/Zydus%20Business%20Conduct%20Policy.pdf</a>
Employee performance appraisal systems integrate compliance/ codes of conduct	Refer Social section of this report at the below link <a href="https://www.zyduswellness.com/investor/1.%20PEAK.pdf">https://www.zyduswellness.com/investor/1.%20PEAK.pdf</a>
Disciplinary actions in case of breach, i.e. warning, dismissal, zero tolerance policy	<a href="https://www.zyduswellness.com/investor/Whistle%20Blower%20Policy%2002-08-24.pdf">https://www.zyduswellness.com/investor/Whistle%20Blower%20Policy%2002-08-24.pdf</a>

## Grievance Redressal Mechanism

Stakeholder Group	Grievance Redressal Mechanism in place (Yes/ No)  (If yes, then web-link for grievance redress policy)	FY 2024-25	
		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 <a href="mailto:investorcommunication@zyduswellness.com">investorcommunication@zyduswellness.com</a>	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 <a href="mailto:investor.grievance@zyduswellness.com">investor.grievance@zyduswellness.com</a> or <a href="mailto:ahmedabad@in.mpms.mufg.com">ahmedabad@in.mpms.mufg.com</a>	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 <a href="https://www.zyduswellness.com/investor/Whistle%20Blower%20Policy%2002-08-24.pdf">https://www.zyduswellness.com/investor/Whistle%20Blower%20Policy%2002-08-24.pdf</a>	0	0
Communities	Yes, <a href="https://www.zyduswellness.com/investor/Human%20Rights%20Policy.pdf">https://www.zyduswellness.com/investor/Human%20Rights%20Policy.pdf</a> <a href="https://www.zyduswellness.com/investor/public-policy.pdf">www.zyduswellness.com/investor/public-policy.pdf</a>	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 <a href="mailto:customercare@zyduswellness.com">customercare@zyduswellness.com</a> .	1,483	0
* There is Nil consumer complaints on Data Privacy, Advertising, Cyber-security, Delivery of essential services, Restrictive trade practices, Unfair trade practices.			
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 nonconformance 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 <a href="https://www.zyduswellness.com/investor/code-of-conduct-for-vendors-feb-2025.pdf">https://www.zyduswellness.com/investor/code-of-conduct-for-vendors-feb-2025.pdf</a>	0	0

## Reporting on breaches

Reporting areas	Number of breaches in FY 2024-25
Corruption or Bribery	0
Discrimination or Harassment	0
Customer Privacy Data	0
Cybersecurity Breaches	0
Total number of clients, customers and employees affected by the breaches	0
Conflicts of Interest	0
Money Laundering or Insider trading	0

Anti-Bribery and Anti-Corruption Policy	<a href="http://www.zyduswellness.com/investor/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf">www.zyduswellness.com/investor/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf</a>
Non-Discrimination and Anti-Harassment policy	<a href="https://www.zyduswellness.com/investor/POSH-Policy-Latest-Rev.pdf">https://www.zyduswellness.com/investor/POSH-Policy-Latest-Rev.pdf</a>

## Contributions and Expenditure

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
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

## Supplier ESG Programs

Oversight of supplier ESG programs	Executive Management
Particulars	Description
Purchasing practices are reviewed to ensure alignment with Supplier Code of Conduct.	ZWL reviews purchasing practices to align with its Supplier Code of Conduct. Regular audits, supplier scorecards, and training ensure suppliers comply with ESG requirements on emissions, water usage, labor standards, and occupational health & safety, thereby avoiding conflicts between sourcing practices and sustainability goals.
Suppliers are excluded from contracting if they cannot achieve minimum ESG requirements within a set timeframe.	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.	ZWL gives preference to suppliers with stronger ESG performance. Suppliers adopting sustainable practices such as reduced emissions, renewable energy use, waste reduction, and occupational safety compliance are prioritized, strengthening long-term partnerships and ensuring resilient supply chains.
Training for buyers/internal stakeholders on roles in supplier ESG programs.	Training programs are conducted for both suppliers and ZWL's procurement teams. Buyers and stakeholders are trained on their roles in ESG monitoring and enforcement through workshops, technical guidance, and problem-solving methodologies (RCA, CAPA, 5-Why), ensuring clear accountability and effective program implementation.

## Supplier Screening

Particulars	Indicators/ measures
Systematic supplier screening process	<p>We methodically evaluate our significant suppliers based on four critical dimensions:</p> <ul style="list-style-type: none"> <li>• <b>Environment:</b> We assess their impact on natural resources, energy consumption, waste generation, and carbon emissions. This includes an examination of their environmental policies, sustainability initiatives, and compliance with regulations.</li> <li>• <b>Social:</b> We scrutinize labour practices, human rights, diversity, and community engagement. This involves a deep dive into labour standards, employee welfare, and their commitment to social responsibility within the communities they operate.</li> <li>• <b>Governance:</b> Our evaluation addresses the integrity, transparency, and accountability of their management. We examine corporate governance structures, board composition, ethical standards, and any history of legal or regulatory violations.</li> <li>• <b>Business Relevance:</b> We gauge their technological competence, product quality, and the extent to which their offerings meet our specific needs.</li> </ul>
Aspects of Supplier screening	<ul style="list-style-type: none"> <li>• <b>Environmental Impact:</b> Assessing resource utilization, waste management, and adherence to environmental regulations.</li> <li>• <b>Social Responsibility:</b> Evaluating Labour standards, diversity, human rights, and community involvement.</li> <li>• <b>Governance Integrity:</b> Scrutinizing management's ethics, transparency, and accountability.</li> <li>• <b>Business Suitability:</b> Measuring technological capability, product quality, and alignment with our requirements.</li> </ul>
Methodology for Supplier Screening	<p>Our methodology extends beyond ESG risk assessments to incorporate risks specific to:</p> <ul style="list-style-type: none"> <li>• <b>Country-Specific Risk:</b> Evaluating geopolitical stability, legal and regulatory environments, economic indicators, and social stability at the supplier's location, particularly emphasized for imported items.</li> <li>• <b>Sector-Specific Risk:</b> Understanding industry-specific challenges and opportunities and assessing the supplier's preparedness to address them.</li> <li>• <b>Commodity-Specific Risk:</b> Focusing on the raw materials and resources supplied, considering environmental, social, and ethical aspects tied to these commodities, such as deforestation.</li> </ul>

## Supplier Assessment and Development

### Supplier Assessment:

Particulars	Indicators / Measures
Supplier desk assessments with systematic verification of evidence	In FY 2024-25, our procurement team conducted desk-based supplier assessments for 152 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 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 ZWL's 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.

## KPI for Supplier Screening



## KPI for Supplier Assessment & Development

Supplier Assessment	FY 2024-25	Target for FY 2024-25
Total number of suppliers assessed via desk assessments/on-site assessments	152	Number of suppliers: 100
% of unique significant suppliers assessed	75%	
Number of suppliers assessed with substantial actual/potential negative impacts	8	
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	5.30%	
Number of suppliers with substantial actual/potential negative impacts that were terminated	5	

Corrective action plan support	FY 2024-25	Target for FY 2024-25
Total number of suppliers supported in corrective action plan implementation	8	100% of significant suppliers assessed with substantial actual/potential negative impacts.
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	100%	

Capacity Building Program	FY 2024-25	Target for FY 2024-25
Total number of suppliers in capacity building programs	90	Number of suppliers: 40
% Of significant suppliers in capacity building programs	44%	

## Effective tax rate

Link of detailed document: <https://www.zyduswellness.com/investor/IntegratedAnnual-Report-FY-2024-25.pdf>

(₹ in Million)

Particulars	FY 2024-25	FY 2023-24	Page number reference to detail Integrated Annual Report
Consolidated Earnings before Tax	₹ 3,588	₹ 2,601	Pg no. 277
Reported Tax expenses	₹ 119	₹ 68	Pg no. 277
Cumulative acceptable adjustments on account of: <ul style="list-style-type: none"> <li>▪ Effect of Non-taxable income</li> <li>▪ Utilization of previously unrecognized tax losses</li> <li>▪ Effect of differences in tax rate in standalone and consolidated</li> <li>▪ Effect of other non-deductible expenses</li> <li>▪ Others</li> </ul>	₹ 1,447	₹ 1,563	Pg no. 297
Cash Taxes Paid (net of refunds)	₹ 29	₹ 27	Pg no. 278
Reason	Tax Impact FY 2024-25	Tax Impact FY 2023-24	Explanation
Group-wide net operating losses (in FY2023 or FY2024)	0	0	Pg no. 297
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)	₹ 1,447	₹ 1,563	

## 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 India Private Limited [India]  
Naturell Inc [USA]

### 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://www.zyduSwellness.com/about-us.php>

Tax Jurisdiction	Nature of Activities in Country	Average No. of Full-Time Employees (FY 24–25)
India	Manufacturing and sale of FMCG products	1,235
Dubai	Trading, Manufacturing, and sale of FMCG products	5
Bangladesh	Trading of FMCG Products	6

### 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.

(₹ in Million)

Sr. No.	Country	Total Taxes borne (A)	Total Taxes Collected (B)	Total Taxes Contributed (A+B)
1.	India	-	₹ 26,152.44	₹ 26,152.44
2.	Bangladesh	₹ 1.34	₹ 9.08	₹ 10.39

## For Financial Information

(₹ in Million)

Sr. No.	Country of Incorporation	Name of the Entity	Turnover & other Income from operations *	Profit /loss Before Taxation*	Provision for Taxation *	Profit/ (loss) after Taxation *
1.	India	ZyduS Wellness Products Limited	26,194	(488)	207	(281)
2.	India	Liva Nutritions Limited	-	0	0	-
3.	Dubai	ZyduS Wellness International DMCC [UAE]	568	(185)	-	(-185)
4.	Bangladesh	ZyduS Wellness (BD) Pvt Limited [Bangladesh]	95	(15)	0	(16)
5.	India	Naturell (India) Private Limited	617	56	-	56
6.	USA	Naturell Inc [USA]	0	0	-	-

\* Converted using average exchange rates prevailing during the year.

\*\* The subsidiary is yet to commence commercial operations.

For further details refer Integrated annual report at below link:

Pg no. 326 - <https://www.zyduSwellness.com/investor/IntegratedAnnual-Report-FY-2024-25.pdf>



## Information Security Governance

Board Responsibility	Board committee which oversees cyber security strategy
<p><b>Mr. Akhil Monappa, Independent Director</b></p> <p>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.</p> <p>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.</p>	<p>Risk Committee</p>

### Executive Management Responsibility:

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



## Information Security Management Programs

Management Program Element	Description
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 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.

## Product Quality Programs

Quality Program Element	Description
Processes to prevent/address defective products before customer delivery	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.
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.

## Products Recalls

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
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 our Head of Manufacturing



### Himanshu Pandey

Vice President- Manufacturing

Zydus Wellness Limited

At the heart of our Manufacturing lies a commitment to Excellence, Sustainability, and Continuous Improvement. We see every facility as more than a production site—a hub of innovation, efficiency, and responsible stewardship, driving us towards a future where growth and responsibility go hand in hand.

From implementing advanced technologies to optimising processes, our focus is on delivering high-quality products while reducing our environmental footprint.

We are embedding ESG principles into every stage of manufacturing by using resources efficiently—conserving water and energy, minimizing waste, promoting recycling, and upholding the highest standards of safety for our people. Robust monitoring systems and optimized processes further enhance efficiency, while our conservation initiatives reflect our commitment to protecting the environment.

Building on this foundation, innovation is enabling us to drive our every step toward sustainability. By adopting automation, digitization, renewable energy solutions, sustainable packaging, and waste-to-landfill reduction initiatives, we continue to improve efficiency and lower our ecological footprint. Our solar power projects of 02 MW at

Aligarh and 1.5 MW Ahmedabad (In progress) further reinforce this renewable transition.

These advancements have been possible because people remain at the centre of our progress. Through upskilling, leadership training, and multi-skill development, we prepare our teams to adapt to evolving industry needs, while fostering a safe, inclusive, and healthy workplace where every individual can thrive.

Together, these efforts define how we embed ESG into our operations—balancing environmental stewardship, social responsibility, and operational excellence.

As we look ahead, we remain committed to build a manufacturing ecosystem that is not only efficient, but also sustainable and future ready. By collaborating with industry partners, government bodies, and NGOs, our teams across plants will continue to focus on a shared purpose: to manufacture responsibly, innovate consistently, and set benchmarks for excellence.

**Himanshu Pandey**

**Vice President- Manufacturing**

**Zydus Wellness Limited**

## Environmental Management System (EMS)

EMS verification	Document / certification link
Environment Policy	<a href="https://www.zyduswellness.com/investor/Environment-Policy.pdf">https://www.zyduswellness.com/investor/Environment-Policy.pdf</a>
ISO 14001 Standard	<p>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)</p> <p>For more details refer compliance section:  <a href="https://www.zyduswellness.com/investor/ISO-14001-2015-ZWPL-Ahmedabad.pdf">https://www.zyduswellness.com/investor/ISO-14001-2015-ZWPL-Ahmedabad.pdf</a>  <a href="https://www.zyduswellness.com/investor/ISO-14001-2015-ZWPL-Aligarh.pdf">https://www.zyduswellness.com/investor/ISO-14001-2015-ZWPL-Aligarh.pdf</a>  <a href="https://www.zyduswellness.com/investor/ISO-14001-2015-ZWPL-Sikkim.pdf">https://www.zyduswellness.com/investor/ISO-14001-2015-ZWPL-Sikkim.pdf</a>  <a href="https://www.zyduswellness.com/investor/GMP-Certificate-ZWPL-Sikkim.pdf">https://www.zyduswellness.com/investor/GMP-Certificate-ZWPL-Sikkim.pdf</a>  <a href="https://www.zyduswellness.com/investor/FSSC-22000-ZWL-Ahmedabad.pdf">https://www.zyduswellness.com/investor/FSSC-22000-ZWL-Ahmedabad.pdf</a>  <a href="https://www.zyduswellness.com/investor/FSSC-22000-ZWPL-Aligarh.pdf">https://www.zyduswellness.com/investor/FSSC-22000-ZWPL-Aligarh.pdf</a>  <a href="https://www.zyduswellness.com/investor/FSSC-22000-ZWPL-Sikkim.pdf">https://www.zyduswellness.com/investor/FSSC-22000-ZWPL-Sikkim.pdf</a></p>
Third party certification / audit / verification by specialized companies	<p>We have third-party air, noise and water quality check with test reports at all three sites.</p> <p><a href="https://www.zyduswellness.com/investor/Environment-Report-Air-Water-Noise-3rd-Party-ZWL-Ahmedabad-Jan-2025.pdf">https://www.zyduswellness.com/investor/Environment-Report-Air-Water-Noise-3rd-Party-ZWL-Ahmedabad-Jan-2025.pdf</a>  <a href="https://www.zyduswellness.com/investor/Environment-Report-Air-Water-Noise-3rd-Party-ZWPL-Aligarh-Dec-2024.pdf">https://www.zyduswellness.com/investor/Environment-Report-Air-Water-Noise-3rd-Party-ZWPL-Aligarh-Dec-2024.pdf</a>  <a href="https://www.zyduswellness.com/investor/Environment-Report-Air-Water-Noise-3rd-Party-ZWPL-Sikkim-Oct-2024.pdf">https://www.zyduswellness.com/investor/Environment-Report-Air-Water-Noise-3rd-Party-ZWPL-Sikkim-Oct-2024.pdf</a></p>
Internal certification / audit / verification	<p>Internal Audit for environmental systems is conducted at all our three locations.</p> <p><a href="https://www.zyduswellness.com/investor/Internal-Audit-Certificate-ZWL-Ahmedabad.pdf">https://www.zyduswellness.com/investor/Internal-Audit-Certificate-ZWL-Ahmedabad.pdf</a>  <a href="https://www.zyduswellness.com/investor/Internal-Audit-Certificate-ZWPL-Aligarh.pdf">https://www.zyduswellness.com/investor/Internal-Audit-Certificate-ZWPL-Aligarh.pdf</a>  <a href="https://www.zyduswellness.com/investor/Internal-Audit-Certificate-ZWPL-Sikkim.pdf">https://www.zyduswellness.com/investor/Internal-Audit-Certificate-ZWPL-Sikkim.pdf</a></p>

## Environment Violations

Parameter	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
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 Management Programs	Responses
<p>Energy audits to identify opportunities for improving energy performance</p>	<p>A comprehensive Internal Energy Audit process is already established within the organization. It forms the basis for selection of EnCon (Energy Conservation) Projects for the Year (Divided into H1 &amp; H2). The process includes multiple stages:</p> <p><b>Preliminary Review:</b> Visual inspections of Energy Guzzlers, Assessment of utility bills, and identification of immediate low-cost/no-cost improvement opportunities.</p> <p><b>Detailed Assessment:</b> In-depth data collection, equipment performance measurements, and load profiling to map energy consumption patterns.</p> <p><b>Analysis &amp; Validation:</b> ROI calculations, benchmarking against standards, and evaluation of potential saving measures.</p> <p><b>Implementation Planning:</b> Prioritization and preparation of action plans of energy-saving opportunities to meet the target of 5% reduction of Energy saving YoY.</p> <p>In addition to this structured internal audit cycle, a full-fledged External Energy Audit is conducted at all sites every 02 years to identify further opportunities for improvement and validate internal findings. A comprehensive Energy Audit is also planned at all three sites in Jan-March 2026.</p>
<p>Quantified targets to address energy savings</p>	<p>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.</p> <p>By 2030, we are committed to:</p> <ul style="list-style-type: none"> <li>• Reduce overall energy consumption by 50% through adoption of energy-efficient technologies and continuous process optimization.</li> <li>• Increase renewable energy contribution to 50% of total energy requirement via solar installations and green power procurement.</li> </ul>

<p>Actions to reduce the amount of energy use</p>	<p><b>Aligarh:</b></p> <ol style="list-style-type: none"> <li>1. In New GD block, installation of timer on bin vibrator motor to save electricity. (61,974 Kwh unit saved)</li> <li>2. Increasing condensate recovery by 10%</li> <li>3. Increasing Boiler efficiency by 1.1 % (783 Tons fuel saved)</li> </ol> <p><b>Ahmedabad:</b></p> <ol style="list-style-type: none"> <li>1. Improved Mayonnaise manufacturing productivity by adopting new technology. Reduced batch process time from 95min to 22min (7kg/min to 19kg/min). – Energy Saving ~1108 GJ (170% * 180000 kwh)</li> <li>2. In Fat Spread, NP3 line production capacity enhanced by replaced Wrapping machine. In 500gm pack machine speed in increased from 22 ppm to 35 ppm 60% of productivity improved. – Energy Saving - ~ 560 GJ (22000 kwh * 59% * 12 month)</li> </ol> <p><b>Sikkim:</b></p> <ol style="list-style-type: none"> <li>1. Running AHUs through Cooling tower in place of chiller in winter season in both plants.</li> <li>2. Boiler efficiency Improve by 3.8%</li> <li>3. Cooling Tower fan interlocking With Temperature</li> <li>4. Installation of VFD on Octagonal blender</li> <li>5. Installation of sensor in BOPP taping to stop in Ideal time.</li> </ol> <p><b>Total 192.08 MW Energy Save in Year 24-25.</b></p>
<p>Evaluation of progress in reducing energy consumption</p>	<p>Our total energy consumption has decreased by 9% primarily driven by higher operational efficiencies and energy conservation measures across the manufacturing - supply chain. As a journey towards excellence in Energy Conservation; the progress in reducing energy consumption is evaluated through a combination of quantitative and qualitative measures, including:</p> <p><b>i) Energy Index (Kwh/MT of Production):</b> Integrating Energy Index as a Key KPI in the Goals of Site leadership team and monitoring monthly trend. There has been 22.18 % reduction in Energy Index over FY 2023-24 i.e.: <b>From 2.57 Mwh/MT in 23-24 to 2.00 Mwh/MT in 24-25 of Production.</b></p> <p><b>ii) Energy Usage Monitoring:</b> Monthly analysis of utility bills and real-time energy monitoring systems to track reductions in Electricity, Steam, and water usage.</p> <p><b>iii) EnCon (Energy Conservation) Cell:</b> Sharing the Energy conservation projects and progress/challenges in the group level forum of EnCon cell.</p> <p><b>iii) Audits- Internal &amp; External:</b> Periodic energy audits conducted to identify improvements and highlight remaining inefficiencies.</p> <p>This multidimensional evaluation ensures transparency, supports continuous improvement, and aligns with organizational sustainability goals.</p>

Use of clean or green energy	<p>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 through multidimensional efforts across the value chain. Some of the major highlights in reference to Green Fuel are as follows;</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>iii) Use of rice husk as a renewable energy source at Aligarh Facility</li> <li>iv) Use of Argo-briquets as a renewable source of energy at Ahmedabad and Sikkim Manufacturing Facility</li> </ul>
Investments in innovation or research and development to decrease energy consumption	<p>The percentage of R&amp;D and capital expenditure (Capex) investments directed towards specific technologies aimed at improving the environmental and social impacts of products and processes stood at 3% of the total R&amp;D and Capex investments made by the entity. The Company has invested in a semi-automatic liquid filler and sealing machine used in a project that could potentially replace thick laminate used in an aseptic carton to thinner laminates with spout. This would help reduce consumption of laminate by 30% thereby reducing the overall carbon footprint per SKU.</p> <p>In addition, ZWL purchased imported (Fryma Koruma) machine for Mayonnaise manufacturing. It has increased the current mayonnaise production capacity seven to eightfold, ensuring scalability and future readiness. Energy savings due to reduced Planned stoppages and major breakdowns. Furthermore, At Sikkim facility, 14 lakhs were invested for energy conservation including the projects such as- Installation of VFDs, Installation Sensors on Bopp, Replacement of old motors, Screw Compressors and other equipment by Technologically advanced energy efficient motors, compressors and equipment.</p>

Energy efficiency training provided to employees to raise awareness of energy consumption reduction	<p>To promote sustainable practices and reduce overall energy consumption, targeted energy efficiency training sessions were provided to all employees. The training programs are aimed to:</p> <ol style="list-style-type: none"> <li>1. Raise awareness about the impact of workplace energy use.</li> <li>2. Educate staff on energy-saving behaviors and best practices.</li> <li>3. Encourage responsible use of lighting, HVAC, and office equipment.</li> <li>4. Introduce energy performance indicators and monitoring tools.</li> <li>5. Foster the culture of continuous improvement in Energy Management.</li> </ol> <p>The Key Topics of the training programs conducted are as follows;</p> <p><b>i. Energy-Conservation Practices:</b> Simple actions for individuals and organizations.</p> <p><b>ii. Energy-Efficient Technologies:</b> Overview of LED lighting, smart thermostats, and other efficient solutions like solar power, improve power factor. Install harmonic filter, Frequency Drives etc.</p> <p><b>iii Behavioural Change:</b> Strategies for promoting energy-conscious behaviors.</p> <p><b>iv. Energy Management Systems:</b> Implementing systems to monitor and optimize energy usages. Digitalization, Automation in process lines, Productivity improve by capacity enhancement and interlocking.</p> <p>These sessions supported organizational goals to reduce operational costs and minimize environmental impact through increased employee engagement in Energy Conservation efforts.</p>
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## Energy Consumption

Total energy consumption	Unit	FY 2021-22	FY 2022-23	FY 2023-24*	FY 2024-25*	Target Statement FY 2024-25
Total non-renewable energy consumption	MWh	84,929.41	37,603.69	1,02,349.17	67,788.61	97,231.71 MWh
Total renewable energy consumption	MWh	95,135.09	1,16,544.56	1,00,708.33	1,17,223.89	
Data coverage	(% of Operations)	100	100	100	100	

\*Intertek India Pvt. Ltd. has conducted Reasonable Assurance for the reported financial years FY 2023-24 and FY 2024-25

## Packaging Commitment

Packaging Aspects	Responses
Measurable group-wide commitment	<p>We have saved 350 tons of packaging material in the past two years, with a target of 1,000 tons cumulatively.</p> <p>To overcome current material and supply chain limitations, we are extending the timeline for achieving <b>100% recyclable packaging by 2030</b>, enabling technology readiness, phased investments, and sustainable growth without compromising quality.</p>
Programs to increase the use of reusable packaging	At present, there are no established agencies providing an end-to-end solution for recovery, sanitization, and reverse logistics to return used packaging to our manufacturing facilities. We are actively identifying partners with the capability and infrastructure to manage these processes efficiently and deliver the recovered packaging at a sustainable cost.
Programs to increase the use of recyclable packaging	We are working towards implementing PCR in Nycil, Glucon D, Nutralite and Complian brands this year. Trials with Nycil containers have been completed. Last year low weight Nycil containers were fully implemented and we saved 17% plastics. In 2025, reduced weight containers will be implemented in Sugarfree 100g powder concentrate containers saving about 50 tons of plastic. We have successfully completed stability trials of Everyuth Body Lotion with rHDPE.
Programs to phase out single-use plastic packaging	We are working towards phasing out single-use plastic packaging by increasing the adoption of recyclable and reusable alternatives, piloting innovative material substitutes, and collaborating with suppliers to scale sustainable solutions.
Programs to increase the use of recycled material as packaging solutions	We prioritize the use of recycled materials in our packaging. 100% of our corrugated boxes are made from recycled kraft paper, and our paperboard cartons also predominantly use recycled content. We continue to explore opportunities to further increase recycled material usage across other packaging formats to enhance circularity and reduce dependence on virgin resources.
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	Approximately 20% of our development efforts are strategically directed towards innovative, sustainable packaging solutions. This focus is embedded in our project evaluation framework, which assigns a 20% weightage to initiatives involving material optimisation, material replacement, and sustainability-driven design. In the current fiscal year, 10–15% of the packaging development budget has been earmarked specifically for advancing sustainable packaging innovations.

## Packaging Materials

Packaging Materials	Coverage (% of cost of goods sold)	Total weight (MT)	Recycled and/or Certified Material (% of total weight)	Target FY 2024-25 (% of total weight)
Wood/Paper fiber packaging	3.4%	10,090	91%	50%
Metal (e.g., aluminum or steel)	0.3%	355	0%	0%
Glass packaging	0.0%	83	0%	0%

**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 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Target for FY 2024-25
Total weight of all plastic packaging (in metric tonnes)	5,949	6,117	3,650	5,572	5000 metric tonnes
% of recyclable plastic packaging (as a % of the total weight of all plastic packaging)	59	57	53	78	50%
% 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	0
Coverage (as a % of cost of goods sold)	100	100	100	100	

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

## Waste 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 Management Program Aspects	Responses
<p>Waste audits to identify opportunities for improving waste performance</p>	<p>A well-defined process of regular waste audits—both Internal and External—is implemented across all manufacturing facilities (Aligarh, Ahmedabad, and Sikkim) to systematically monitor waste generation and identify recycling opportunities.</p> <p>In FY 2024-25, Internal audits were undertaken at all sites to ensure accurate classification of waste categories and to identify opportunities for reducing waste generation. These audits help maintain regulatory compliance and drive continuous improvement in waste management practices.</p> <p>Total Hazardous Waste: 112.5 MT Total Non-Hazardous Waste: 2,343.3 MT</p> <p>Of the total waste generated, 94% was recycled and 6% was co-processed.</p> <p>Further, an external audit of waste generation and disposal data was conducted by Intertek India Pvt. Ltd., which has “Reasonably Assured” the accuracy of the information published in the BRSR report.</p>
<p>Action plans to reduce waste generation</p>	<p>ZWL is committed to sustainable operations by minimizing waste and ensuring safe handling of hazardous waste. The following action plan outlines key initiatives to drive compliance, efficiency, and environmental responsibility:</p> <ul style="list-style-type: none"> <li>i. Integrating Reduction of Plastics Waste (Jar, Laminates, Polybags and Caps) as a part of the Performance Mgmt. System (PMS) as a key KPI of the Site Leadership and Production Heads of all factories.</li> <li>ii. Tracking and recording all waste generated (hazardous, non-hazardous, e-waste, biomedical, etc.) across Operations.</li> <li>iii. Engaging authorized third-party agencies for recycling and disposal of waste in full compliance with government regulations.</li> <li>iv. Adopting a holistic approach focusing on resource efficiency, waste minimization, and product innovation.</li> <li>v. Implementing closed-loop systems and initiatives for plastic reduction.</li> <li>vi. Ensuring compliance with Extended Producer Responsibility (EPR) obligations.</li> <li>vii. Reducing hazardous and toxic chemical usage by developing sustainable, low-impact formulations and safer processing techniques.</li> </ul> <p>Promote continuous improvement in waste management practices, aligning with broader environmental goals and consumer demand for eco-friendly products.</p>

<p>Quantified targets to minimize waste</p>	<p><b>Long-term Sustainability Goals:</b></p> <ul style="list-style-type: none"> <li>i. Achieve Zero Liquid Discharge (ZLD) and Zero Waste to Landfill by 2030.</li> <li>ii. Transition to 100% recyclable multi-layer plastic by FY 2027-28.</li> </ul> <p><b>Packaging Material Reduction:</b></p> <ul style="list-style-type: none"> <li>i. Target to reduce packaging material usage by 1,000 tons by 2027.</li> </ul> <p><b>Plastic Waste Reduction:</b></p> <p>We achieved a 19% reduction against the target of 5% year-on-year reduction (baseline: 2023).</p> <p>These results have been achieved through a series of improvement initiatives driven by a focused approach towards reducing plastic packaging at plants, including:</p> <ul style="list-style-type: none"> <li>a. Weight reduction of plastic packaging materials (e.g., bottles and jars).</li> <li>b. Reduction of packaging wastages.</li> <li>c. Replacement of plastics with reusable containers.</li> </ul> <p>On regulatory front; in FY 2024-25, 100% - Extended Producer Responsibility ("EPR") target was achieved.</p>
<p>Investment in innovation or R&amp;D to minimize waste</p>	<p>ZyduS Wellness strategically invests dedicated R&amp;D resources to minimize process waste, enhance material efficiency, and advance circular economy practices, reinforcing its long-term commitment to sustainable growth and environmental responsibility</p> <ul style="list-style-type: none"> <li><b>i. Sustainable Product Development:</b> Creating products with reduced environmental footprints to address growing consumer demand for eco-friendly solutions.</li> <li><b>ii. Resource-Efficient Formulations:</b> Introduced lower oil-content variants (e.g., Retail Mayonnaise) to reduce resource dependency.</li> <li><b>iii. Innovation in Product Performance:</b> Developing heat-resistant and low-carbon product formulations.</li> <li><b>iv. Sustainable Packaging Solutions:</b> Expanding the use of biodegradable, recyclable, Reducing weights of Packing bottles, and reusable packaging materials across product lines.</li> </ul>

<p>Waste reduction training provided to employees</p>	<p>At ZWL, Structured training programs on waste management are conducted across all operations. Major Training Programs are as follows;</p> <ul style="list-style-type: none"> <li>i. Regulatory compliance in waste handling and disposal.</li> <li>ii. Segregation of hazardous and non-hazardous waste.</li> <li>iii. Safe handling and storage practices.</li> <li>iv. Recycling and reuse methods.</li> <li>v. Waste reduction initiatives to minimize generation at source.</li> <li>vi. Segregation at source to improve efficiency of recycling and disposal.</li> <li>vii. 3Rs (Reduce, Reuse, Recycle) integrated into daily operational practices.</li> <li>viii. Employee awareness building to encourage responsible behavior and accountability.</li> <li>ix. Circular Economy Practices.</li> <li>X. Extended Producers' Responsibility (EPR)</li> </ul>
<p>Integration of recycling programs to reduce the waste sent to landfill</p>	<p>ZWL has embedded sustainability into its waste management approach through structured recycling and co-processing initiatives:</p> <ul style="list-style-type: none"> <li>i. Recycling programs integrated into operations to systematically divert waste for co-processing and recycling, reducing landfill burden.</li> <li>ii. Engagement of approved co-processors, certified by respective State Pollution Control Boards (SPCB).</li> <li>iii. Third-party validation through certifications from independent accredited bodies.</li> <li>iv. Support for decentralized waste collection hubs to strengthen segregation and processing at the source.</li> <li>v. Commitment to sustainable waste management reinforced through continuous improvement initiatives aimed at minimizing environmental impact.</li> </ul> <p>These collective efforts position ZWL as a responsible organization working towards a circular economy and long-term environmental stewardship.</p>
<p>Waste diversion from landfill is certified by an independent accredited body</p>	<p>Yes, waste diversion from landfill is approved by respective State Pollution Control Board (SPCBs) At ZWL, the Sikkim and Ahmedabad facilities have adopted co-processing, wherein waste is sent to the cement industry as an alternative fuel and raw material. At Aligarh, the Fly Ash from boiler is sent to nearby Cement Plant for using in blended Cement. This approach not only ensures compliance with regulatory requirements but also supports circular economy practices by reducing landfill dependency.</p>

## Waste Disposal

Particulars	Unit	FY 2021-22	FY 2022-23	FY 2023-24 *	FY 2024-25 *	What was your target for FY 2024-25
Total waste recycled/ reused	MT	1,132	837	1,081	1,604	
Total waste disposed	MT	84	97	172	108	154.4
- 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	82	97	82	108	
- Waste with unknown disposal method	MT	3	0	90	0	
Data coverage (as % of operations)	%	100	100	100	100	

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

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

## Food Loss & Waste Commitment

Food Loss & Waste Commitment Aspects	Responses
Programs established to measure food loss & waste	ZWL has implemented a structured system to measure and minimize food waste across all facilities: <ul style="list-style-type: none"> <li>i. Daily Food Waste Accounting across all ZWL facilities.</li> <li>ii. Line-wise yield monitoring and Floor Wastages to track material losses at each production stage.</li> <li>iii. Batch-level tracking and process audits to identify inefficiencies and areas of improvement.</li> <li>iv. Real-time data capturing and analysis to enable quick corrective actions.</li> </ul>
Programs to reduce the total volume of food loss & waste	At ZWL, various programs are periodically conducted to reduce Food Waste. Some of the major programs are as follows: <ul style="list-style-type: none"> <li>i. Driving monthly theme-based programs on Food Waste Reduction across all facilities</li> <li>ii. Process Optimization and Root Cause Analysis (RCA) for major food loss incidents, with corrective and preventive actions</li> <li>iii. Daily Work Management (DWM) practices as a cornerstone for continuous identification and reduction of food loss.</li> <li>iv. Standard Operating Procedures (SOPs) for raw material and semi-finished goods handling to avoid unnecessary waste. etc.</li> </ul>

Measurable group-wide targets to reduce the total weight of food loss & waste	ZWL has established measurable group-wide targets to systematically reduce food loss and waste across all manufacturing facilities.
The targets are to time bound. Planned year for full implementation of the targets:	<p>i. Food Waste Reduction Target: Achieve a <b>20% reduction in total food loss and waste by FY 2030</b>, compared to the baseline year FY 2023-24.</p> <p>ii. Interim Milestone: Ensure a 5% year-on-year reduction in food loss and waste through Daily Work Management (DWM) practices and continuous process improvement.</p> <p>Monitoring Mechanism:</p> <p>i. Daily measurement of food waste at line and batch levels across facilities.</p> <p>ii. Regular tracking through digital dashboards integrated with production data.</p> <p>iii. Quarterly internal audits to validate progress.</p> <p>Key Levers to Achieve Targets:</p> <p>i. Process optimization through Lean initiatives.</p> <p>ii. R&amp;D-led innovations in product formulations and process efficiency.</p> <p>ii. Employee training on waste minimization, segregation at source, and 3Rs (Reduce, Reuse, Recycle).</p> <p>Long-term Commitment: Aligning food waste reduction targets with ZWL's broader sustainability goal of Zero Waste to Landfill by 2030.</p>
Break-down of food loss & waste volumes by food category and/or lifecycle stage	<p>ZWL has instituted a structured framework to classify food loss and waste into specific streams, such as Mayonnaise and Non-edible oil waste, to ensure robust monitoring and reduction of the Yearly target.</p> <p>Efforts are concentrated on key lifecycle stages:</p> <p>i. Production Stage – Minimizing waste during food processing, manufacturing, and packaging.</p> <p>ii. Operational Stage – Monitoring and addressing losses arising from dispensing, production lines, filling, and packing activities.</p> <p>iii. Storage &amp; Handling Stage- Preventing material losses due to improper handling, spillage, or storage inefficiencies, Strengthening SOPs, conducting regular audits, and building employee capability to reduce handling-related waste.</p> <p>iv. Distribution &amp; Logistics Stage- Addressing losses during product movement, transportation, and shelf-life management; collaborating with supply chain partners to minimize damage, optimizing inventory, and improving shelf-life monitoring systems.</p> <p>This framework directly supports ZWL's long-term sustainability ambition of achieving Zero Waste to Landfill by 2030.</p>

<p>Programs aimed at using food loss &amp; waste for alternative uses</p>	<p>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:</p> <ul style="list-style-type: none"> <li>i. Product wastes from Ghee, Glucon-D, Complian, and Sugar Free are diverted into Cattle feed, supporting circularity in the Agricultural value chain.</li> <li>ii. Additionally, Palm oil recovered from 'Fat Spread Waste' at the Ahmedabad facility is supplied to Soap Manufacturers &amp; Bio Diesel Manufacturers, enabling industrial reuse.</li> </ul> <p>These initiatives demonstrate our focus on channelling food loss and waste into productive applications, thereby minimizing disposal and contributing to a sustainable economy.</p>
<p>Collaboration with up/downstream partners to reduce the amount of food loss &amp; waste in the value chain</p>	<p>The company actively collaborates with both upstream and downstream partners to reduce food loss and waste across the value chain.</p> <ul style="list-style-type: none"> <li>i. Upstream: We work with Suppliers and Farmers to ensure efficient sourcing and handling practices that minimize raw material wastage.</li> <li>ii. Downstream: We engage with partners such as Cattle Feed Producers and Soap, Bio Diesel Manufacturers —where product wastes from Glucon-D, Complian, and Sugar Free are redirected into cattle feed, and palm oil recovered from fat spread waste at our Ahmedabad facility is utilized in soap manufacturing.</li> </ul> <p>These collaborations ensure that food loss and waste are systematically repurposed into productive applications, fostering circularity and reducing environmental impact throughout the value chain.</p>

## Food Loss & Waste Impact

Food loss & waste	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Target for FY 2024-25
a) Total weight of all food loss & waste	232.54	276.41	462.50	731.33	448.62
b) Total weight of food loss & waste volumes used for alternative purposes	232.54	276.41	462.50	731.33	448.62
c) Total food loss & waste discarded (A-B)	0	0	0	0	0
e) Coverage	% of operations	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.

## Water Efficiency Management Programs

Water Efficiency Management Programs Aspects	Responses
<p>Water use assessment to identify opportunities for water efficiency improvements</p>	<p>The company conducts a comprehensive Water Use Assessment to identify and capture opportunities for improving water efficiency across operations. Key steps of the approach include:</p> <ol style="list-style-type: none"> <li><b>1. End-to-End Water Balance:</b> A detailed water balance diagram is developed and periodically reviewed to monitor inflows, consumption, and outflows. This helps identify unaccounted losses and opportunities for corrective action.</li> <li><b>2. Periodic Water Audits:</b> Internal and Independent audits are undertaken at regular intervals to evaluate water consumption patterns, benchmark usage, and recommend reduction/conservation measures.</li> <li><b>3. Historical Data Analysis:</b> Long-term data from meter readings, utility bills (12–24 months), and production volumes is analysed to track trends, detect anomalies, and correlate water use with operational parameters.</li> <li><b>4. Focused Conservation Drives:</b> A dedicated “Water Conservation Month” is observed annually (June) to drive awareness and action on reducing wastages through employee engagement, process optimization, and behavioural change initiatives.</li> <li><b>5. Identification of Major Consumption Points:</b> Equipment, processes, departments, and areas with significant water demand are mapped to prioritize efficiency projects and targeted interventions.</li> <li><b>6. Key Performance Indicators (KPIs):</b> Water efficiency is tracked through relevant KPIs, such as liters of water consumed per unit of product manufactured (KL/MT), Potable water usage is tracked per person (Lit/Person) enabling benchmarking across sites and driving continuous improvement.</li> </ol> <p>Through these structured assessment processes, the company not only ensures responsible water management but also systematically identifies and implements opportunities for water conservation and efficiency improvements across the value chain.</p>

<p>Actions to reduce water consumption</p>	<p>The company has implemented various programs to reduce water consumption through a combination of technology upgrades, process improvements, and behavioural initiatives. Key initiatives include:</p> <p><b>1. End-to-End Monitoring and Audits:</b> A detailed Water Balance Diagram is periodically reviewed to identify unaccounted losses, supported by regular water audits and analysis of historical consumption data (meter readings, utility bills, and production volumes). Major water-consuming processes, equipment, and areas are mapped to prioritize interventions. Key Performance Indicators (KPIs), such as litres of water consumed per unit of product, are tracked for benchmarking and continuous improvement.</p> <p><b>2. Site-Specific Conservation Measures:</b></p> <p>a. Aligarh: Achieved 10% improvement in condensate water recovery through Dump Condenser replacement. Shifting to dry ice cleaning of machines, the team has significantly reduced wash water usage. Additionally, ETP-treated water is reused for gardening, toilet flushing, and wetting boiler ash, saving 4–5 KL of groundwater per day.</p> <p>b. Ahmedabad: Implemented aerators in taps, reused treated water for flushing and washing, and installed water flow meters with monitoring systems, leading to savings of approximately 14 KL/day.</p> <p>c. Sikkim: Introduced flow meters on waterlines to closely monitor usage, detect excess consumption, and enable timely corrective actions.</p>
<p>Actions to improve wastewater quality</p>	<p>The company has taken a series of proactive measures across its manufacturing sites to ensure that wastewater is effectively treated, reused, and discharged in compliance with regulatory standards while contributing to overall sustainability goals.</p> <p>Aligarh: Commissioned a separate Sewage Treatment Plant (STP) to improve the quality of treated effluent water. Additionally, carbon and sand filters were overhauled and replaced, enhancing the efficiency and consistency of wastewater treatment.</p> <p>Ahmedabad: Implemented a Zero Liquid Discharge (ZLD) system; Separating ETP &amp; STP plants so as to divert the ETP treated water in other usages and thereby improving the quality of waste water at the same time , enabling complete reuse of treated wastewater within the plant and subsequently eliminating liquid effluent discharge.</p> <p>Sikkim: Operates dedicated ETP and STP plants, complemented by a 3-stage Reverse Osmosis (RO) system for ZLD. This ensures high-quality treatment and facilitates recycling of water for utility purposes.</p> <p>These actions not only strengthen compliance with environmental norms but also improve wastewater quality, promote water recycling, and reduce freshwater dependency, thereby advancing the company’s commitment to sustainable water management.</p>

<p>Establishment of targets to reduce water use</p>	<p>The company has established clear short-term and long-term targets to systematically reduce water use and improve efficiency across all operations.</p> <p>Long-Term Vision (2030 and Beyond): A commitment has been made to achieve a 25% reduction in freshwater use by 2030, aligned with the company's sustainability roadmap.</p> <p>Current Progress: Through focused conservation initiatives and process optimization, the company has already achieved a 7.35% reduction in specific water consumption (KL/MT of Production).</p> <p>Performance Tracking: Water usage is tracked daily (As Water Index) in KL per metric ton of production, enabling real-time monitoring and continuous improvement. Trends consistently show that water consumption per metric ton of production is on a decreasing trajectory, demonstrating progress against set targets.</p> <p>Continuous Improvement: Site-level action plans are identified and undertaken to drive annual efficiency gains, with specific KPIs linked to water consumption reduction projects, recycling, and reuse measures.</p>
<p>Application of water recycling</p>	<p>Across all our manufacturing facilities, treated wastewater is recycled and reused for various non-potable applications. Key usages include gardening, toilet flushing, plant washing, cooling towers, hot water generators, and charging hydrant systems. These measures significantly reduce freshwater dependency and promote closed-loop water management.</p> <p>In addition to the group-level practices, the Aligarh site has introduced steam condensate reuse, where condensate water is utilized for equipment cleaning and floor washing, further optimizing water consumption. This initiative, combined with recycling treated water for multiple plant and utility needs, has resulted in substantial savings in freshwater usage.</p>

<p>Awareness training provided to employees on water efficiency management programs</p>	<p>Training on water conservation and efficiency is an integral part of the company's annual training calendar. A dedicated Water Conservation &amp; Wastewater Management Month (Aug'24, June'25) was observed across all the Manufacturing locations, during which employees participated in awareness sessions, workshops, and focused drives.</p> <p>The main objectives of the program are to:</p> <ul style="list-style-type: none"> <li>i. Increase understanding of water scarcity and its environmental and economic impacts.</li> <li>ii. Communicate the organization's water efficiency goals and policies.</li> <li>iii. Encourage employees to adopt daily responsible actions, such as reporting leakages, avoiding wastage, and supporting recycling initiatives.</li> </ul> <p>Awareness and Engagement: Through these structured trainings and campaigns, the company fosters a culture of accountability and ownership among employees. The focused month-long initiative strengthens awareness, drives participation in conservation measures, and promotes operational discipline.</p> <p>As a result, the company not only optimizes consumption at the source but also enhances water reuse and recycling, thereby reducing freshwater withdrawal and ensuring long-term water sustainability.</p>
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## Water Consumption

Parameter	Unit	FY 2021-22	FY 2022-23	FY 2023-24 *	FY 2024-25 *	Target for FY 2024-25
A. Water withdrawal (excluding saltwater)	Million m <sup>3</sup>	0.476	0.394	0.416	0.418	
B. Water discharge (excluding saltwater)	Million m <sup>3</sup>	0.06	0.036	0.05	0.029	
C. Total Net Freshwater Consumption (A-B)	Million m <sup>3</sup>	0.416	0.358	0.366	0.389	0.33
Data Coverage	% of operations	100	100	100	100	

\* Intertek 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 m <sup>3</sup> / (person*year)	Unit	FY 2021-22	FY 2022-23	FY 2023-24 *	FY 2024-25 *	What was your target for FY 2024-25
Total net freshwater consumption in water- stressed areas (Total water withdrawals – Total water discharges)	Million m <sup>3</sup>	0.416	0.356	0.366	0.389	0.33

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

## Business Impacts of Water-Related Incidents

Incidents	Currency	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total actual and opportunity costs from water-related incidents	INR	0	0	0	0

## Water Risk Management Programs

Category	Our Approach
Dependency & Impact-Related Risks	<p>Dependency: Sites and vendors mapped with WRI Aqueduct to assess reliance on aquifers, borewells, and municipal supply.</p> <p>Impact: Annual water audits, zero untreated discharge, rainwater harvesting, and ETPs at major facilities.</p>
Future Water Quantity	WRI projections used to identify high-stress zones (e.g., Gujarat, Rajasthan) for long-term planning and conservation investments.
Future Water Quality Risks	Regular water quality monitoring and provisions for treated water reuse to manage contamination risks from industrial/agricultural sources.
Local Stakeholder Impacts	Community water recharge structures, ponds, and CSR programs to enhance water access for nearby villages.
Regulatory Risks	Compliance with CPCB/SPCB and CGWA norms, supported by ISO 14001, ensures preparedness for evolving water regulations.
Scope of Risk Assessment	<p><b>Own operations:</b> Comprehensive audits, flow meters, water efficiency programs, and rainwater harvesting adopted across facilities.</p> <p><b>Supply chain:</b> Vendor water risk assessment conducted for 50 suppliers in UP &amp; Rajasthan, mapped under WRI Aqueduct (high to extremely high stress zones), with plans for stewardship programs.</p>

## Exposure of Suppliers to Water Risks

Exposure of Suppliers to Water Risks	FY 2024-25
% of sourced agricultural commodities originating from water-stressed areas (e.g. <1700 m <sup>3</sup> /person*year) or high, very high and	
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:

Risk Aspects	Measures
Risks related to the quantity and quality of water	The company collaborates with critical Tier 1 suppliers in water-stressed areas by implementing water efficiency programs, setting reduction targets, and promoting best practices in water stewardship. Measures include supplier training on water conservation, technology investments like water recycling systems, and participation in collective watershed management initiatives. Additionally, we conduct regular water audits and support suppliers in adopting sustainable sourcing practices, ensuring minimal impact on local water availability and quality.
Risks related to regulatory changes or changes in pricing structures	To address regulatory and pricing risks, the company engages with suppliers to ensure compliance with evolving water laws and pricing policies. This includes conducting policy impact assessments, assisting suppliers in meeting regulatory requirements, and advocating for sustainable water pricing models. We also diversify sourcing strategies and support investment in alternative water sources or efficiency measures, ensuring resilience against regulatory shifts and price fluctuations in water-stressed areas.
Risks related to stakeholder conflicts	The company works closely with Tier 1 suppliers to mitigate stakeholder conflicts arising from water use. We engage with local communities, NGOs, and regulators to promote fair water distribution and responsible sourcing. Our supplier policies mandate social impact assessments, grievance mechanisms, and community engagement initiatives. By fostering transparency and collaboration, we ensure that supplier operations align with shared water resources and do not negatively impact local communities or ecosystems.

## Scope 1: GHG Emissions

Parameter	Unit	FY 2021-22	FY 2022-23	FY 2023-24 *	FY 2024-25 *	Target FY 2024-25
Total Direct GHG emissions (Scope 1)	MT CO <sub>2</sub> e	11,427	6,650	31,304	11,343	29,739
Data coverage	% of operations	100	100	100	100	

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

## Scope 2: GHG Emissions

Parameter	Unit	FY 2021-22	FY 2022-23	FY 2023-24*	FY 2024-25*	Target FY 2024-25
Location-based	MT CO2e	10,124	8,969	8,798	10,289	9,774
Market-based	MT CO2e	10,124	8,969	8,798	10,289	
Data coverage	% of operations	100	100	100	100	

\* Intertek 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 2024-25*	Emission Calculation Methodology
Category 2: Capital Goods	MT CO2e	1,934	USEPA EEIO database (USD pegged to 2023 PPP)
Category 5: Waste Generated in Operations	MT CO2e	19	DEFRA 2024 Emission Factors Dataset
Category 7: Employee Commuting	MT CO2e	855	DEFRA 2024 Emission Factors Dataset
Category 13: Upstream Leased Assets	MT CO2e	1,513	CO2 Baseline Database for the Indian Power Sector (CEA) V19.0 December 2023
Category 9: Downstream Transportation & Distribution	MT CO2e	27,294	USEPA EEIO database (USD pegged to 2023 PP)
<b>Total indirect GHG emissions (Scope 3)</b>	<b>MT CO2e</b>	<b>31,615</b>	

\* Intertek India Pvt. Ltd. has conducted Limited Assurance for the financial year. Kindly refer to ESG Databook FY 2024-25 pg. no. 121-123

## Air Emissions (other than GHG emissions)

Parameter	Unit	FY 2024-25 *	FY 2023-24 *
NOx	(mg/nm3)	8,277.3	72.3
Sox	(mg/nm3)	925.3	112.3
Particulate Matter (PM)	(mg/nm3)	2,726.4	107.5
Persistent Organic Pollutants (HAP)	-	N.A	N.A
Hazardous air pollutants (HAP)	-	N.A	N.A
Others – please specify	-	N.A	N.A

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

## 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	<p>Responsibilities include:</p> <ul style="list-style-type: none"> <li>• Formulation and implementation of the company's climate strategy.</li> <li>• Monitoring and approving public climate-related disclosures in line with regulatory requirements and ESG standards.</li> <li>• Assessing climate-related risks and opportunities.</li> <li>• Reporting quarterly to the Board on climate, safety, environmental, and financial risks.</li> </ul> <p>Frequency: Climate issues are reviewed at least quarterly by the Board as part of the ESG agenda.</p>
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	<p>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 &amp; ESG Committee.</p> <p>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 &amp; ESG Committee for approval.</p>
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://www.zyduwellness.com/investor/Climate-Transition-Strategy-Rev2.0-Zydu-Wellness-Jan-2025.pdf>

## TCFD Disclosure

Sr.no	Question	Answer
1. 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.
2. Strategy		
	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<p>Zydus Wellness Ltd. has identified key climate-related risks and opportunities as follows:</p> <p><b>Short-Term Risks:</b> 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.</p> <p><b>Medium-Term Risks:</b> 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.</p> <p><b>Long-Term Risks:</b> Changing customer preferences and global climate policies necessitating low-GHG products, sustainable sourcing, and a circular economy approach.</p> <p><b>Opportunities:</b> 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.</p>

	<p>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<p>Zydu Wellness Ltd. integrates climate-related risks and opportunities into its strategy and financial planning to ensure resilience and competitiveness:</p> <p><b>Business Impact:</b>  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.</p> <p><b>Strategic Impact:</b>  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.</p> <p><b>Financial Impact:</b>  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.</p>
	<p>Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Zydu Wellness Ltd. ensures the resilience of its strategy through scenario analysis, including a 2°C or lower scenario:</p> <p><b>2°C or lower scenario:</b>  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.</p> <p><b>High-Impact Climate Scenarios:</b>  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.</p> <p><b>General Mitigation Strategies:</b>  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.</p> <p>Maintaining inventory buffers and third-party manufacturing locations to ensure operational continuity during disruptions.</p> <p>These strategies are included in ZWL's Climate Transition Strategy. for a robust adaptation and mitigation approach.</p>

## 3. Risk Management

Describe the organization's processes for identifying and assessing climate-related risks.	<p>Zydu Wellness Ltd. employs a structured approach to identify and assess climate-related risks through the following processes:</p> <p><b>Physical Risk Management:</b> 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).</p> <p><b>Stakeholder Collaboration:</b> 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.</p> <p><b>Annual Audits:</b> 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.</p>
Describe the organization's processes for managing climate-related risks.	<p>Zydu 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.</p> <p><b>Water Stewardship:</b> 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.</p> <p><b>Renewable Energy Transition:</b> Investments in 2MW solar power at the Aligarh plant showcase ZWL's commitment to renewable energy adoption. The initiative fulfills 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.</p>

		<p><b>Sustainable Supply Chain Resilience:</b> 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.</p> <p><b>Milk Procurement and Community Development:</b> 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.</p> <p><b>Infrastructure Investments:</b> 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.</p> <p><b>Business Continuity Planning:</b> 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.</p> <p><b>Long-Term Sustainability Investments:</b> Scaling up investments in biodiversity conservation initiatives and renewable energy projects.  Focuses on reducing environmental risks while driving operational efficiency and community development.</p> <p>More details included in ZWL's Climate Transition Strategy.</p>
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<p>Climate-related risks are seamlessly integrated into Zydus Wellness Ltd.'s enterprise risk management framework to ensure a holistic approach:</p> <p><b>Governance Structure:</b> The ESG Steering Committee, comprising senior management, collaborates with the CSR &amp; ESG Committee at the board level to ensure climate risks are prioritized within the overall risk management strategy.</p>

		<p>Updates on climate risks are shared quarterly with the Risk Management Committee, ensuring alignment with the company's financial and operational risk assessments.</p> <p><b>Integrated Assessments:</b> 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.</p> <p><b>Proactive Monitoring:</b> 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.</p> <p><b>Performance Metrics and KPIs:</b> 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.</p>
<b>4. Metrics &amp; Targets</b>		
	<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>ZWL assesses climate-related risks and opportunities through specific KPIs and metrics that align with its energy, water, emissions, and waste management goals.</p> <p>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.</p>
	<p>Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p>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 Policy. More details included in ZWL's Climate Transition Policy.</p>

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>ZWL has set both short-term and long-term targets to manage climate-related risks and seize opportunities. Examples include:</p> <p><b>Energy Efficiency:</b> 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.</p> <p><b>Water Stewardship:</b> Short-term targets include a 5-10% reduction in water usage, and a long-term goal to reduce freshwater consumption by 25% by 2030.</p> <p><b>Scope 1 &amp; 2 Emissions:</b> Long-term goals include reducing direct emissions by 50% by 2030 and achieving carbon neutrality by 2040.</p> <p><b>Sustainable Supply Chain:</b> 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 Policy.</p>
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## 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 Change 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.

#### 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.

#### 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.

#### 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

S. No.	Question	Answer
<p><b>We have identified climate change-related risks with potential impact. Here is the financial impact for the most significant risk from each category</b></p>		
1	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.
2	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.
3	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.
4	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

1	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.
2	Estimated financial implication of the risk before acting:	₹28 Crores
3	Average estimated time frame (in number of years) for financial implications of the risk:	7 years

4	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.
5	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	<ul style="list-style-type: none"> <li>IEA NZE 2050</li> <li>IEA APS (or nationally determined contributions, NDCs)</li> </ul>	<ul style="list-style-type: none"> <li>IEA STEPS (previously IEA NPS)</li> </ul>
Physical Scenario	RCP 2.6 (or SSP1 2.6)	RCP 8.5 (or SSP5 8.5)

For more details refer to our revised 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

S. No.	Question	Answer
1	Specific plan to adapt to physical climate risks in existing and/or new operations	<p>ZWL has implemented context-specific climate adaptation strategies across operations.</p> <ul style="list-style-type: none"> <li>Flood Risk Adaptation: Infrastructure upgrades in flood-prone regions, such as Sikkim, with elevated storage, drainage systems, and diversified supply chains.</li> <li>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.</li> <li>Land and Transportation Risks: Emergency response systems and GIS mapping for landslides and supply chain disruptions.</li> </ul> <p>Supporting evidence is currently documented within internal company reports and referenced as part of the Climate Transition Policy.</p>
2	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.
3	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.
4	The risk assessment and plan to adapt to physical climate risks cover the following share of our new operations (Percentage of new operations):	100%

5	Overall plan to adapt to potential physical climate risks.	Climate Transition Policy 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.
6	The plan includes a target to implement relevant adaptation measures within the following timeline	5 to 10 years

## 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 MTCO <sub>2</sub> e)	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 target is formally recognized as SBTi-committed.



COMPANY ▲	NEAR-TERM STATUS ⓘ ▾	NET-ZERO STATUS ⓘ ▾	ORGANIZATION TYPE ▾
Zydus Wellness Limited India, Asia	<input checked="" type="checkbox"/> COMMITTED	—	Corporate

## Biodiversity Risk Assessment

Zydu 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, Zydu 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
<b>Q1: Process Description</b>	
Process Steps	The biodiversity risk assessment process steps include: <ol style="list-style-type: none"> <li><b>Baseline Study:</b> Identification and classification of floral and faunal species within core and buffer areas, emphasizing endangered and threatened species</li> <li><b>Impact Assessment:</b> Evaluating the effects on biodiversity from habitat loss, pollution, invasive species, and resource depletion</li> <li><b>Dependency Analysis:</b> Using the Ecosystem Services Review tool to identify critical dependencies on ecosystem services</li> <li><b>Mitigation Strategies:</b> Applying the mitigation hierarchy (Avoidance, Minimization, Restoration, and Biodiversity Offsets) to address identified impacts</li> <li><b>Action Planning:</b> Developing strategies like invasive species management, greenbelt enhancement, and pollinator habitats</li> <li><b>Monitoring and Reporting:</b> Continuous biodiversity monitoring and reporting aligned with global frameworks</li> </ol>
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
<b>Q2: Scope of Biodiversity Risk Assessment</b>	
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
<b>Q3: Risks Identified</b>	
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)
<p>a) Overall</p> <p>Total number and the total area of your own operational sites</p>	3 (Ahmedabad, Aligarh, Sikkim)	Ahmedabad & Aligarh: 200 hectares Sikkim: 500 hectares
<p>b) Assessment</p> <p>Biodiversity impact assessments conducted for your own operational sites</p>	3	
<p>c) Exposure</p> <p>Total area of the sites assessed, having a significant biodiversity impact, or are in proximity to critical biodiversity</p>	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
<p>d) Management plans</p> <p>Of the sites with significant biodiversity impact or located near critical biodiversity areas, the number of sites with a biodiversity management plan and their total area are reported</p>	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
Yes, the company has mitigating actions to reduce biodiversity impact and dependency	
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

## Sustainable Agriculture Commitment

### 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.

### 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.

### 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.

### 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.

### 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.

### Other: Community Development & Livelihood Enhancement

- Direct engagement with 25,000 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://www.zyduswellness.com/nutralite.php> ; <https://www.youtube.com/watch?v=Q4sZ9gWm9Uk>

### Our Corporate Video:

<https://www.youtube.com/watch?v=flQliIXDee8>



## Certifications of Agricultural Crops

Agricultural Crop	Certification or accreditation	Coverage (in terms of palm oil certified/ accredited as a % of total palm oil sourced/produced)	Company's level of exposure to palm oil
Palm Oil	RSPO	60%	5-25% of annual procurement spend

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 - [www.zyduwellness.com/investor/Sustainable-Sourcing-Policy.pdf](http://www.zyduwellness.com/investor/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 palm oil 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 our Head of Human Resources



### Shantanu Das

Sr. Vice President, Human Resources  
Zydus Wellness Limited

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 not only shape our culture but also propel our progress. For us in HR, the responsibility goes beyond managing talent—it is about inspiring, enabling, and caring for the people who bring our vision to life.

With a clear aspiration to be the 'Employer of Choice', we have worked to build a workplace that is inclusive, respectful, and rich with opportunities for growth. From nurturing young talent to empowering seasoned leaders, our focus is on providing meaningful careers within a supportive environment where everyone feels they truly belong. A key part of this journey is our commitment to gender diversity and equal opportunity—ensuring that women are represented, respected, and empowered at every stage of their career.

We remain committed to walking alongside our people through every stage of their professional and personal journey—whether by fostering continuous learning, advancing wellness initiatives, or nurturing a culture of recognition and trust. Together, we are not just a workforce;

we are a community bound by purpose and driven by values.

Beyond our workplace, we also take pride in extending this philosophy to the society we serve. Through thoughtfully designed community outreach and social impact programs, we continue to make a positive difference in people's lives.

As we look ahead, our commitment is clear: to strengthen our bond with our people, champion diversity and inclusion, invest in their growth and well-being, and create a future where opportunity, progress, and purpose go hand in hand.

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

## Diversity and Inclusion

At Zydus Wellness, we remain steadfast in our commitment to fostering a culture of diversity and inclusion, recognizing that a diverse workforce is essential for navigating today's complex business challenges. To advance our Diversity and Inclusion ambitions, we have implemented several initiatives and programs within the organization.

As of the fiscal year 2024-25, women hold 14.3% of Board and Leadership positions within the organization. In our Sikkim units, approximately 30% of the workforce aged 25-30 comprises women, while in Ahmedabad, this figure stands at around 20%. Notably, women from Science, Technology, Engineering, and Mathematics (STEM) disciplines form a significant part of our workforce. As a key diversity metric, the percentage of our permanent female employees was 6.5% as of March 31, 2025, an increase from 6.3% in the previous year.

Our hiring practices prioritize knowledge and other essential qualities, ensuring a merit-based approach. We also actively promote diversity at the board level, guided by our Board Diversity Policy, which mandates that at least one member



of the Board is a Woman Director.

These efforts underscore our dedication to creating an inclusive environment where diverse talents can thrive and contribute to our collective success.

We recently have set a target to increase women workforce and to reach 8% by 2026 and further take it to 10% by 2030.

The company has adopted Diversity and Inclusion Policy which is available on the website of the Company at [www.zyduswellness.com/investor/Diversity%20and%20Inclusion%20Policy.pdf](http://www.zyduswellness.com/investor/Diversity%20and%20Inclusion%20Policy.pdf).

### Women driven plant at Sikkim

Sikkim has experienced a remarkable transition from an agro-based economy to an industrial one in recent years. This transformation has naturally facilitated greater participation of women in the formal workforce. Both our plants (Unit I and Unit II) have been part of this evolution. Currently, approximately 30% of the workforce in the 25-30 age group at these plants are women, contributing across all plant functions, including core operations.

To support this shift and further encourage the integration of women into the workforce, we have undertaken several initiatives, including:

- Transport facilities to ensure safe and convenient commutes.
- Flexible shift hours designed to accommodate the specific needs of women employees.
- CCTV surveillance across the premises to enhance safety and security.
- Awareness sessions on provisions under the Prevention of Sexual Harassment (PoSH) at Workplace Act and related company policies.

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

We present testimony from one of the women employees as under:

## Trupti S. Patel

(Deputy General Manager - Head of Personal Care and OTC)



It all began with the completion of my college education—a phase filled with dreams and aspirations. Entering the professional world, I embarked on a journey that, over 32 years, has evolved into something truly fulfilling and rewarding.

Looking back, I feel immense gratitude for the milestones that have shaped me, both personally and professionally. My work on the skincare portfolio for Everyuth Naturals and Nycil has been especially meaningful—not just about skincare, but about empowering individuals to embrace their natural beauty, feel confident every day, and overcome everyday skin concerns.

Everyuth Naturals perfectly embodies the spirit of youth, beauty, confidence, and boldness. It's inspiring to see how our products resonate with consumers, enabling them to feel comfortable in their own skin and confident in their unique ways. This bold and youthful spirit drives us to constantly innovate, stay curious, and embrace challenges as opportunities to grow.

For me, creativity means seeing possibilities where others see limitations, and innovation means turning those possibilities into reality. Each new role, skill, and challenge has enriched my journey, broadening my horizons and reinforcing the value of dedication, planning, and continuous learning.

"Happy Har Din" has been more than a brand ethos—it has been my personal mantra, reminding me to embrace youthfulness in spirit and contribute my best every day.

The satisfaction I have gained from this journey is immeasurable. I am deeply thankful to everyone who has been a part of it—mentors, colleagues, and friends at Zydus Wellness—for their constant support, collaboration, and encouragement. Truly grateful for this incredible journey.

## Labour Practices Commitment

Paying a living wage	<p>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.</p> <p>For more details on methodology refer to - <a href="https://www.zyduswellness.com/investor/Living-Wage-Anker-Methodology-Updated-Report-India-Bhadohi-Uttar-Pradesh.pdf">https://www.zyduswellness.com/investor/Living-Wage-Anker-Methodology-Updated-Report-India-Bhadohi-Uttar-Pradesh.pdf</a></p> <p>For more details on Living Wage Assessment refer to - <a href="https://www.zyduswellness.com/investor/Living-Wage-Assessment-Report-24-25.pdf">https://www.zyduswellness.com/investor/Living-Wage-Assessment-Report-24-25.pdf</a></p> <p>Our living wage methodology has been assured by third-party. For Living Wage Assurance statement, please refer to pg. no. 124-126 in the ESG Databook FY 2024-25</p>
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	<p>We follow the principle of equal pay for equal work, ensuring fair and equitable remuneration irrespective of gender.</p> <p>For more details on our equal pay third party assessment, please refer to ESG Databook pg. no. _</p>
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:**

S.No.	Groups	What percentage of your operations does the living wage assessment cover?
1	Own operations/ Employees	>75%
2	Partners	> 75% Company as a Principal Employer signs an agreement with Suppliers/Partners that they will have to abide by the responsibility to manage their resources as per law of land. A detailed Supplier Code of Conduct is signed to ensure the enforcement.
3	Contractors	> 75% Company as a Principal Employer signs an agreement with Contractors that they will have to abide by the responsibility to manage their workforce as per law of land and Zydus Wellness policies.

**Labour Practices Program**

Labour Practice Program Aspects	Response
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 assessments to reinforce commitment to gender equity please refer to pg. no. 124-126
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 2024-25	Target
Share of women in total workforce	6%	8% by 2026 10% by 2030
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	7%	
Share of women in junior management positions, i.e., first level of management (as % of total junior management positions)	5%	
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)	7%	
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.)	2%	
Share of women in STEM-related positions (as % of total STEM positions)	18%	

## Workforce breakdown: Nationality

Breakdown	Share in total workforce as % of total workforce including: MS-Management Staff NMS-Non-Management Staff	Share in all management positions (junior, middle, senior) (as % of total management workforce)
India	99.0%	98.9%
Dubai	0.5%	0.5%
Bangladesh	0.5%	0.6%

\* 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.

(₹ in Million - per annum)

Employee Level	Average Women Salary	Average men salary
Executive level (base salary only)	-	11.032
Executive level (base salary + other cash incentives)	-	13.391
Management level (base salary only)	2.483	1.591
Management level (base salary + other cash incentives)	2.778	1.824
Non-management level (base salary only)	0.657	0.754
Equal pay assessment is third-party verified – For further details please find details in ESG Databook FY 2024-25 on pg. no 124-126		

**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

Indicator	%
% of employees represented by an independent trade union or covered by collective bargaining agreements:	82.3% (of Blue Collared Workforce)

## Human Rights Due Diligence

Indicator	Details
Human rights due diligence process	<p>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.</p> <p>We comprehend the immense need to maintain ethical and human rights standards across our entire value chain, and in doing so, we respect the human rights of all involved parties. Our Human Rights Policy and due diligence best</p>

	<p>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.</p>
Review of risk mapping	We do a systematic periodic review of risk mapping of potential issues
Coverage of risk identification	<p>Our process covers the following:</p> <ul style="list-style-type: none"> <li>• Risk identification in our own operations</li> <li>• Risk identification in our value chain or other activities related to our business</li> <li>• Risk identification in new business relations (mergers, acquisitions, joint ventures, etc.)</li> </ul>
Actual or potential human rights issues covered/ identified:	<ul style="list-style-type: none"> <li>• Forced labor</li> <li>• Human trafficking</li> <li>• Child labor</li> <li>• Freedom of association</li> <li>• Right to collective bargaining</li> <li>• Equal remuneration</li> <li>• Discrimination</li> </ul>
Groups at risk of human rights issues covered/ identified:	<ul style="list-style-type: none"> <li>• Own employees</li> <li>• Women</li> <li>• Children</li> <li>• Indigenous people</li> <li>• Migrant workers</li> <li>• Third-party employees</li> <li>• Local communities</li> </ul>
Reference policies	<p><a href="http://www.zyduswellness.com/investor/Human%20Rights%20Policy.pdf">www.zyduswellness.com/investor/Human%20Rights%20Policy.pdf</a></p> <p><a href="https://www.zyduswellness.com/investor/Risk%20Management%20Policy.pdf">https://www.zyduswellness.com/investor/Risk%20Management%20Policy.pdf</a></p> <p><a href="http://www.zyduswellness.com/investor/code-of-conduct-for-vendors-feb-2023.pdf">www.zyduswellness.com/investor/code-of-conduct-for-vendors-feb-2023.pdf</a></p> <p><a href="https://www.zyduswellness.com/investor/Whistle%20Blower%20Policy%2002-08-24.pdf">https://www.zyduswellness.com/investor/Whistle%20Blower%20Policy%2002-08-24.pdf</a></p> <p><a href="https://www.zyduswellness.com/investor/POSH-Policy-Latest-Rev.pdf">https://www.zyduswellness.com/investor/POSH-Policy-Latest-Rev.pdf</a></p>

## 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): <b>as a % of: Sites</b>	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

S.No.	Question	Response
1	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.
2.	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.
3.	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:  <b>1. Whistleblower Policy:</b> 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.

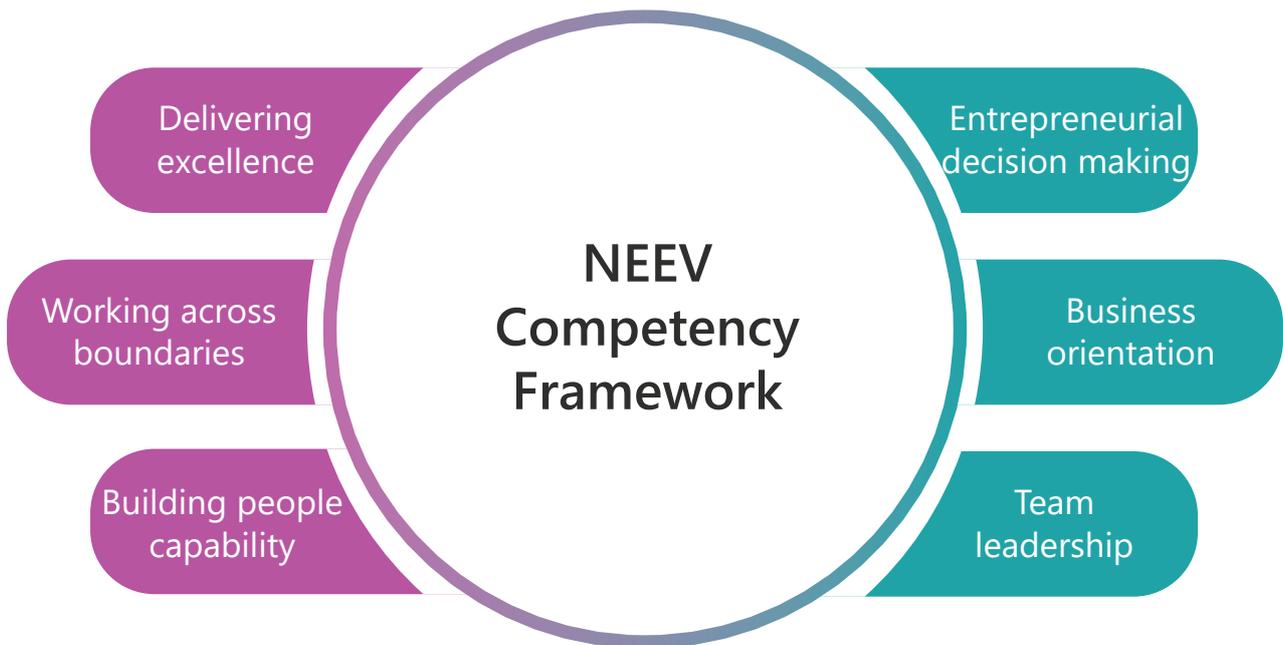
		<p><b>2. POSH Compliance:</b> Zydus Wellness is committed to creating a safe and inclusive work environment. Through compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has implemented a robust POSH Policy. Internal Complaints Committees (ICC) have been established across all workplaces to address and resolve grievances promptly, ensuring dignity and respect for all employees.</p> <p><b>3. Product Quality and Safety:</b> 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.</p> <p><b>4. Environment, Health, and Safety (EHS):</b> 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.</p> <p><b>5. Stakeholder Engagement:</b> 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.</p> <p><b>6. Grievance and Redressal Mechanism:</b> 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.</p> <p>These systems demonstrates Zydus Wellness’s unwavering commitment to upholding human rights across all aspects of its operations.</p>
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## 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

Average hours per  
FTE on training and  
development

**38** hrs

Average amount spent  
per FTE on training  
and development

₹ **6,420**

## Training Data breakdown (FY 2024-25)

<b>By Age Group</b>	<b>10,745</b>
<=30	1,696
31-40	5,531
41-50	2,586
>50	932
<b>By Gender</b>	<b>10,745</b>
Female	1,170
Male	9,575
<b>By Management Level</b>	<b>10,745</b>
Junior	7,593
Middle	2,566
Senior	578
Top	8
<b>By Nationality</b>	<b>10,745</b>
India	10,646
Bangladesh	74
Dubai	25
<b>By Type of Training</b>	<b>10,745</b>
Behavioral & Leadership	2,189
Functional & Technical	5,669
Mandatory	2,887

## Attracting and Retaining the Right Talent

At Zydus Wellness, we believe that the strength of our organization lies in the talent we attract and nurture. Our approach to recruitment is not just about filling positions but about identifying individuals who align with our values, culture, and business needs. Our structured four-step recruitment process ensures we attract top talent, assess them rigorously, integrate them seamlessly, and invest in their continuous development. This year, our hiring efforts resulted in the successful onboarding of 269 permanent employees across various functions.

Additionally, we continue to build our future talent pipeline through COMPASS, our structured hiring program for summer interns and management trainees. Under COMPASS, we provided internship opportunities to 5 students from top-tier colleges, allowing them to gain hands-on experience and exposure to real business challenges. We also hired 4 management trainees, three in sales and one in HR, who underwent a structured one-year journey. Through multiple stints in different business functions, they are gaining a holistic understanding of our operations and preparing for key leadership roles in the future.

A key initiative in strengthening our frontline sales team is Project Gurukul, a structured program designed to create a pipeline of skilled sales professionals. Under this initiative, sales trainees spend the first two months shadowing experienced sales officers in roles such as Pilot Sales Man (PSM), Distributor Sales Representative (DSR), or Territory Sales In-Charge (TSI), gaining valuable insights through observation. Post this initial phase, they transition into independent roles, handling day-to-day sales tasks and applying their learnings in real-world scenarios. After six months of rigorous training and performance evaluation, successful trainees are promoted to the TSI role, where they take on the responsibility of managing a sales territory. This year, we onboarded 16 Gurukul trainees, who are now transitioning into the TSI role, strengthening our sales force and ensuring

we have a steady supply of skilled professionals to drive our growth.

Attracting and retaining the right talent remains a strategic priority for us. To enhance our employer brand, we actively engage with campuses through LeaderScape, where our leaders share insights and interact with students. We also monitor and act on feedback shared on platforms like Ambition Box and Glassdoor, ensuring we continuously improve employee experience. Additionally, we keep our employees informed and engaged through ZW Chronicles, our internal communication platform.

By implementing structured hiring processes, investing in development programs, and providing clear career progression paths, we continue to build a workforce that is engaged, motivated, and equipped to contribute to our organization's long-term success.

### The Human Resource Policy includes provisions for:

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

### Key benefits extended to our employees are:

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

## 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 - SLIM (Strategic Lean Integrated Manufacturing)	Program 3 - LMI EPP (Leadership Management International – Effective Personnel Productivity)
Learning methods (externally/ internally) offered for employee development	Teams and Networks	Teams and Networks	Coaching / Mentorship
Type of program offered for employee development	Leadership development program	Cultural Education	Leadership development program

Disclosure of the quantitative business impact of any of the programs mentioned	<ul style="list-style-type: none"> <li>Increased participation and completion rates of women employees</li> <li>Uplift in professional capabilities and retention</li> <li>Higher engagement and inclusion scores</li> <li>Improved representation of women in critical roles</li> <li>Enhanced cross-functional collaboration and confidence to take on stretch assignments</li> <li><b>GPTW Assessment Impact:</b> <ul style="list-style-type: none"> <li>» Score on "I am offered training or development to further myself professionally" improved from <b>73 in 2023, Jan '24 – Jan '25) to 76 in 2024, Jan '25 – Jan '26)</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Zydus Wellness places a strong focus on empowering contractual employees under the SLIM program by equipping them with Continuous Improvement tools through Manthan workshops.</li> <li>Contractual staff across plants contributed significantly by generating 166 ideas and <b>driving savings worth ₹1,682.44 lakhs.</b></li> <li>Their participation demonstrates the inclusive design of SLIM, where every employee—permanent or contractual—plays a role in cost optimization and innovation.</li> </ul>	<ul style="list-style-type: none"> <li>Participants redirected an average of <b>2 hours</b> daily toward high-payoff activities</li> <li>Improved time management, delegation, and resource utilization</li> <li>Strengthened ownership, accountability, and focus among participants</li> <li>Delivered structured productivity improvements across teams</li> <li>Contributed to sustained individual and organizational effectiveness</li> </ul>
The program covers contractual or part time employees in company's own workforce	No	Yes	No

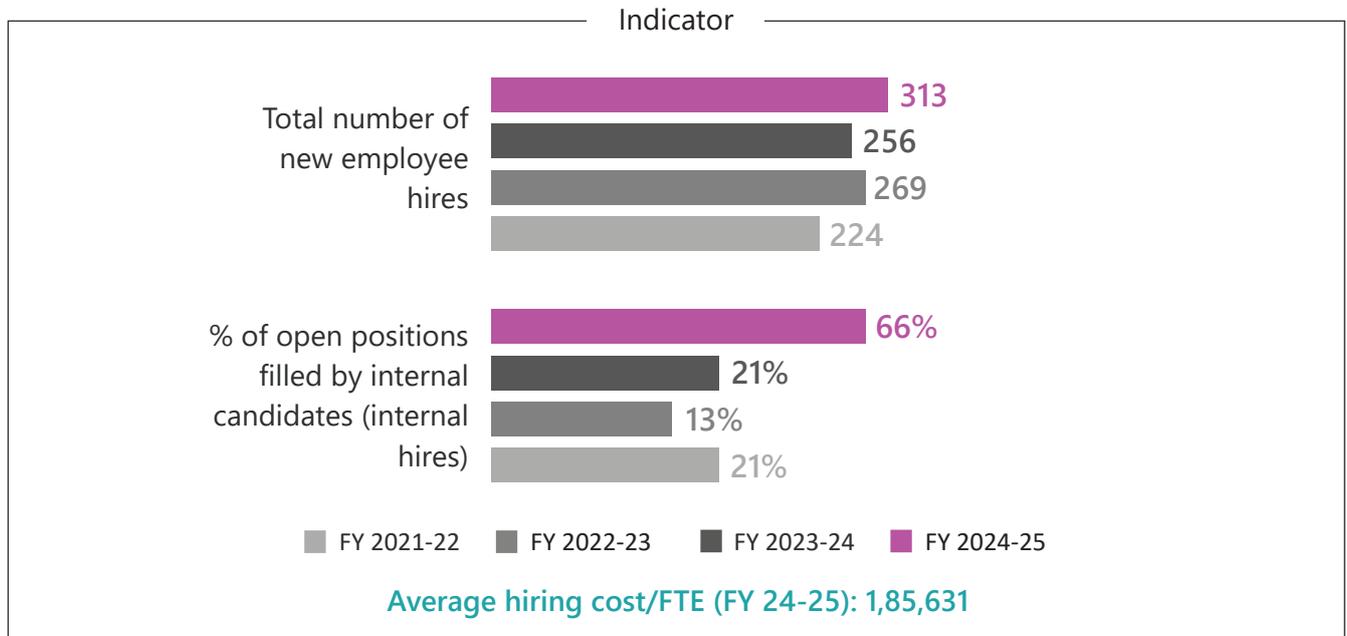
## Human Capital Return on Investment

(₹ in Million)

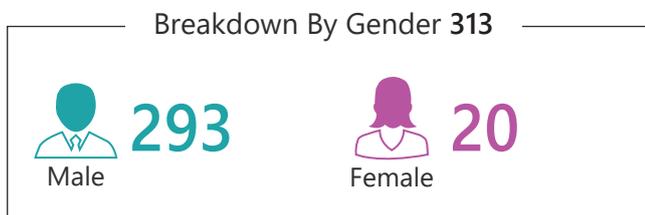
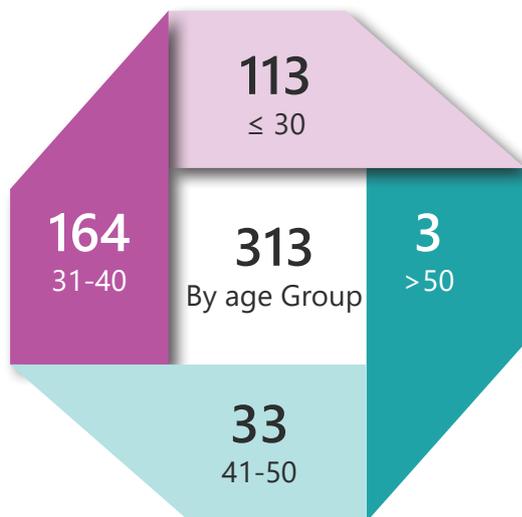
Indicator	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
a) Total Revenue	₹ 20,195	₹ 22,597	₹ 23,417	₹ 27,225
b) Total Operating Expenses Currency	₹ 16,643.5	₹ 19,176.4	₹ 20,197	₹ 23,291
c) Total employee-related expenses (salaries + benefits)	₹ 1,635.6	₹ 1,673	₹ 1,934	₹ 2,372
d) Resulting HCROI (a- (b-c)) / c	3.2	3.0	2.7	2.7
Total Employees	700	748	818	1,247

## 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.

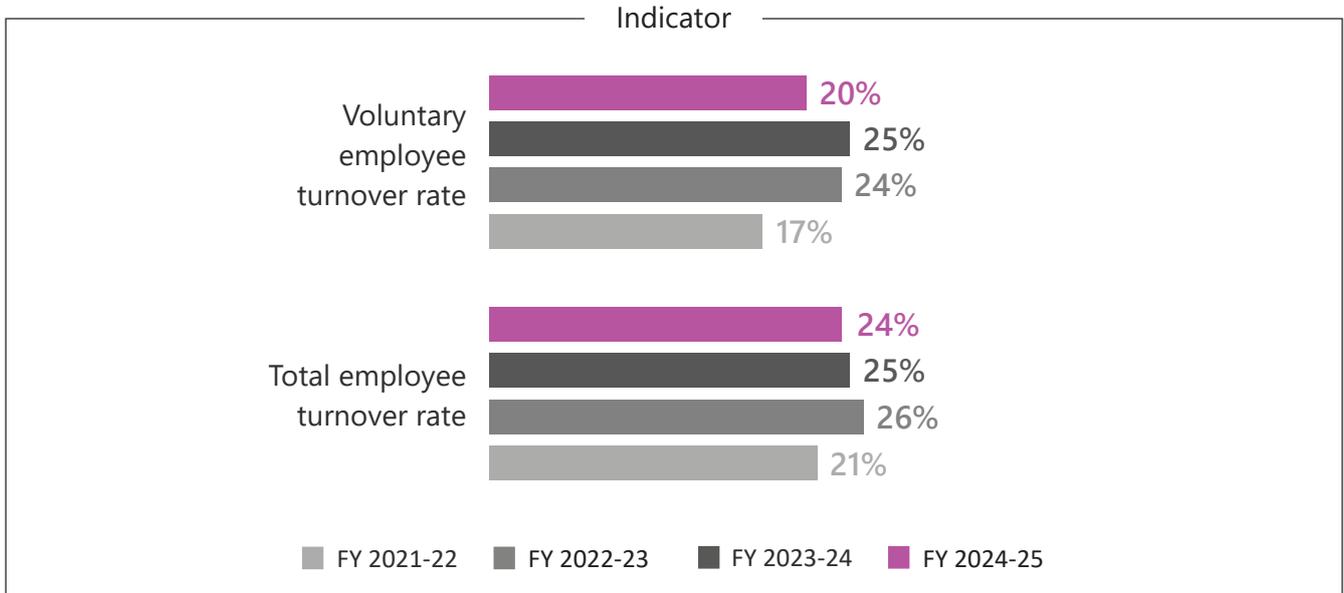


### Hiring Data Breakdown (FY 2024-25)

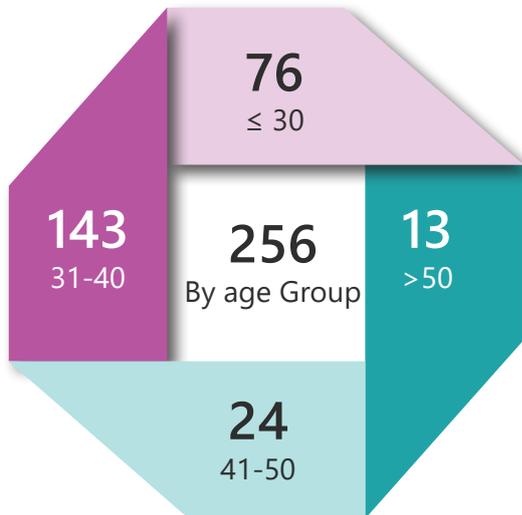


## Employee Turnover Rate

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 2024-25)



## Succession Planning

At Zydus Wellness, succession planning is a proactive and structured process designed to build a strong leadership pipeline and ensure business continuity. It begins with managers evaluating team members' performance and potential through a 9-box talent grid, enabling precise talent mapping and identification of critical roles. These inputs are then presented to the skip level manager for further discussion. In the final calibration round, a Talent Council consisting of the Skip level manager and the CEO approves the 9-box grid.

Critical roles are determined based on their direct impact on business outcomes, financial implications, niche expertise and the availability of talent in the external market. Additionally, evolving role dimensions such as required expertise, problem-solving complexity and accountability are also assessed to ensure long-term leadership readiness.

Successors are categorized into three readiness levels: Ready Now, Ready in 1-3 Years, Ready in 3+ Years

For each critical role, a structured succession strategy is implemented, which includes:

1. **Continuity Planning** – Retaining the current talent if optimal
2. **Internal Talent Development** – Preparing identified successors through customized growth programs, leadership development and cross-functional exposure
3. **Proactive External Talent Identification** – Ensuring a seamless leadership pipeline where internal readiness is limited

In CY24 we had planned successors to 27% of the eligible population. We plan to broaden the coverage in the coming year. To future-proof transitions, the succession plan integrates contingency measures, such as interim successors and backup successors, mitigating risks from unforeseen vacancies. The plan is continuously monitored and refined to address gaps, enhance

successor preparedness and align with business evolution.

This dynamic approach ensures Zydus Wellness remains future-ready, with a robust talent pipeline equipped to drive sustained growth and innovation.

## Creating Leaders at all Levels

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

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

**Learn, Explore, Aspire & Perform (LEAP):** Training program specifically developed for new managers. This is run across the Zydus group and helps the managers in obtaining role clarity, inculcate a sense of ownership and commitment, embed customer centricity in all actions, team management and effective communications among others.

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

## 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	<p>Sports &amp; 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.</p> <ul style="list-style-type: none"> <li>▪ This policy is applicable to all permanent Management staff employees of the company.</li> <li>▪ Employee can avail reimbursement up to (50% of the total fees or 10,000/- (whichever is lower)</li> <li>▪ Reimbursement can be availed once in a Financial Year i.e., April to March.</li> <li>▪ The Company expects employees to be ambassadors of Wellness and avail fitness facilities of these format. (Yoga, gymnastics, fitness classes, cardio Zumba, Meditation, Swimming)</li> </ul>
Flexible working hours	<p>At Zydus Corporate Park, employees can utilize a flexible attendance policy, including:</p> <ul style="list-style-type: none"> <li>▪ Late coming: Up to 9 times a month (3 times without approval and 6 with approval) with a 2-hour delay.</li> <li>▪ Early leaving: Up to 3 times a month with a 1-hour early departure (with approval).</li> </ul> <p>Branch Offices:</p> <ul style="list-style-type: none"> <li>▪ Late coming allowed up to 1 hour for 4 times a month.</li> <li>▪ Early leaving allowed up to 2 hours for 2 times a month.</li> </ul> <p>Work-from-Home Arrangements: We support working-from-home arrangements for employees where feasible.</p> <p>Part-time Working Options: Part-time roles are considered to meet specific employee needs, balancing professional and personal responsibilities.</p>
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 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

Type of Performance Appraisal	Description
Management by objectives	<p>Zydu 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 &amp; Development), Process and Customers. It is preferred over MBO in Zydu Wellness as it has got broader scope integrating Organizational goals &amp; strategy.</p>
Multidimensional performance appraisal (e.g. 360-degree feedback)	<p>Zydu Wellness has got various structured processes of 360-degree performance appraisal involving different External Agencies for different levels of management.</p> <p><b>1) HOGAN 360:</b> 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 Zydu 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 Zydu Wellness Neev competency framework.</p> <p><b>2) Jombay Assessment:</b> The Jombay Assessment is a behavioral and personality-based tool designed to evaluate competencies, potential, and development areas aligned to leadership and functional roles.</p> <p><b>3) SHL:</b> We build people to build our business - this has been our motto and a way of life at Zydu. We believe that it's our people who have made all the difference in our journey of growth over the years. It is the Zydan spirit of keeping the organization before themselves, working together as a team to make things happen, thinking differently and making innovation a part of Zydu's DNA and creating a culture of trust and oneness that has been our greatest asset.</p> <p>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. Zydu has collaborated with SHL for the assessment process. These assessments will assess you only from behavioral point of view.</p>

	<p>Phase I (Online Assessment – 70 mins) - It will be an online assessment comprising of following two questionnaires &amp; one survey. Kindly note that the avg. time mentioned below is the avg. time taken to respond &amp; these are not timed assessments:</p> <ol style="list-style-type: none"> <li>1. Occupational Personality Questionnaire (OPQ)</li> <li>2. Motivation Questionnaire</li> <li>3. Experience Survey</li> </ol> <p>Phase II (One-on-One interaction- 4.5 hours)</p>
Team-based performance appraisal	<p>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.</p> <p><b>Variable Pay Out Calculation:</b></p> <ol style="list-style-type: none"> <li>1. Top Line performance measured through Top line growth of the company (basis par growth – Weightage 40%)</li> <li>2. Bottom Line performance measured through PBT of company (Weightage 40%)</li> <li>3. Individual performance (I-PEAK) measured through KPIs and par growth for revenue functions (Weightage 20%)</li> </ol>
Agile conversations	<p>Agile Conversations foster collaboration and shared understanding through structured dialogue. It encourages active listening, enquiry, and alignment on goals. ZWL uses SBI (Situation Behaviour &amp; Impact) Model to support Agile Conversations. This model helps in providing structure to positive &amp; negative feedback, thereby assists the team to adapt to change.</p>

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

## Our key rewards and recognition programs are

### **CEO Award:**

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

### **Shout Out:**

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

### **Zydus Group Awards:**

Nomination based recognition program for individuals/ Team.

### **Zydus Value Awards:**

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

### **Every win counts & Pat on the back:**

Nomination based recognition program for individuals.

### **Team Awards:**

Nomination-based recognition program for project delivery at team level.

### **Long Service Award:**

This reward is to value the dedication and commitment of our employees, celebrating their milestones through Long Service Awards. These awards recognize employees who complete 5, 10, 20 and 25 years with the organization, acknowledging their loyalty, contributions, and impact.

### **Annual Conference:**

Nomination based recognition program for individuals/ Team.

### **SLIM Awards:**

SLIM (Strategic Lean Integrated Manufacturing), our flagship program launched in 2007, focuses on optimizing operational costs. Since its inception, it has successfully institutionalized continuous improvement across Zydus sites by leveraging the principles of Kaizen, Lean, and Six Sigma. In 2024, the Zydus Wellness Ahmedabad Site was honored with the Best SLIM Plant award across the Zydus group.

## Trend of Employee Wellbeing

Core Focus	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	What was the target for FY 2024-25?
Employee Wellbeing	% of employees with top level of engagement, satisfaction, wellbeing, or employee net promoter score (eNPS)	70%	70%	78%	81%	83%
Data coverage	% of employees who responded to the survey	70%	91%	77%	83%	

## Occupational Health & Safety Programs

The company has a program on Occupational Health and Safety (OHS). Please indicate where this information is available in public reporting or corporate website

“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.

Below is the program outline based on the four pillars of the framework:

**1. PEOPLE:** The foundation of any effective OHS program is its people. ZWL’s San-Kalp emphasizes on:

- i. **Total Employee Involvement:** Encouraging active participation of employees at all levels in safety initiatives, fostering ownership and accountability.
- ii. **Safety System Adherence:** Strict compliance with safety protocols, policies, and standards through regular monitoring and evaluation.
- iii. **Behavioural Safety:** Implementing behaviour-based safety practices to reduce human error, supported by training and awareness campaigns.
- iv. **Emergency Preparedness:** Developing and practising robust emergency response plans, including mock- drills, first-aid training, and emergency simulations.
- v. **Contractor Safety Management:** Extending OHS practices to contractors and third-party workers through on-boarding, training, and performance monitoring.
- vi. **Ergonomics:** Designing tasks, tools, and workstations to reduce manual handling, physical strain and improve productivity.
- vii. **Employee Commutation:** Ensuring safe commuting options for employees, with a focus on transportation safety and security.

**2. PROCESS:** Process Safety encompasses all the systems put in place to safeguard hazards and risks associated with day-to-day operations. This pillar includes:

- i. **Workplace Safety:** Conducting regular inspections and audits to identify potential hazards and eliminate unsafe conditions.
- ii. **Hazard Management:** Applying methodologies such as HIRA (Hazard Identification and Risk Assessment), JSA (Job Safety Analysis), and HAZOP (Hazard and Operability Study) to systematically address risks.
- iii. **Material Storage and Handling:** Establishing safe storage, handling, and disposal practices for hazardous and non-hazardous materials.
- iv. **Work Permit System:** Implementing permit-to-work systems for non-routine tasks, such as Work at Height, Confined space entry, Electrical maintenance, and Hot-work.
- v. **Fire Safety:** Installing and maintaining firefighting systems, conducting fire risk assessments, and training employees on fire prevention.
- vi. **Factory Logistics:** Streamlining material movement and logistics to ensure safety while minimizing operational risks.

**3. ASSETS & INFRASTRUCTURE:** Protecting physical assets is critical for upholding compliance while enhancing operational effectiveness at ZWL. This pillar includes:

- i. **Building & Civil Structures:** Regular inspections and maintenance of buildings to mitigate risks related to structural integrity.
- ii. **Tools & Machinery:** Periodic testing, calibration, and maintenance of machinery to prevent malfunctions.
- iii. **Boiler & Steam Lines:** Adhering to safety standards for high-pressure systems to avoid catastrophic failures.
- iv. **Lifting Tools and Tackles:** Ensuring safe operation and periodic certification of cranes, hoists, and other lifting equipment.
- v. **Working & Moving Platforms:** Securing elevated platforms, scaffolding, and walkways to prevent falls.
- vi. **Storage Tanks & Pressure Vessels:** Routine inspections and monitoring to prevent leaks, explosions, or equipment failures.
- vii. **Security Systems:** Leveraging surveillance, access controls, and alarms to secure premises.
- viii. **Safety Equipment:** Providing and maintaining Personal Protective Equipment (PPE) and other safety devices for employees.

	<p><b>4. HEALTH &amp; HYGIENE:</b> Employee health and hygiene are integral to ZWL's OHS program. This pillar includes:</p> <ul style="list-style-type: none"> <li>i. <b>Occupational Health Centre:</b> Establishing on-site health centers for regular health check-ups and emergency medical care.</li> <li>ii. <b>Occupational Disease Management:</b> Monitoring, identifying, and mitigating risks of work-related illnesses through periodic medical screenings and awareness programs.</li> <li>iii. <b>Waste Management:</b> Implementing sustainable waste disposal systems to minimize environmental impact and workplace hazards.</li> <li>iv. <b>Noise &amp; Lux Levels:</b> Maintaining noise levels within permissible limits and providing adequate lighting for safe operations.</li> <li>v. <b>Ventilation, Odour &amp; Dust Control:</b> Ensuring proper air quality through ventilation systems and regular monitoring of dust and odour levels.</li> </ul> <p><b>Governance and Safety Culture</b></p> <p>A strong Governance Structure is in place at ZWL, with clear accountability and reporting mechanisms, to sustain this program and inculcating safety as DNA of the organization. Most importantly, a robust Safety Culture ensures continuous improvement through:</p> <p>Policies &amp; Standards: Defining safety policies and standards aligned with industry best practices.</p> <ul style="list-style-type: none"> <li>a. <b>Training &amp; Workshops:</b> Conducting regular training sessions for employees and contractor workers.</li> <li>b. <b>Incident Prevention:</b> Focusing on leading indicators, Identifying Near Misses and root causes of incidents to implement preventive measures.</li> </ul> <p>The San-Kalp OHS Program integrates these elements into daily operations, fostering a proactive and preventive approach to Safety. By aligning safety practices with organizational goals, the program ensures the well-being of employees and the sustainability of operations.</p>
<p>OHS risk and hazard assessments to identify what could cause harm in the workplace.</p>	<p>Zyduz Wellness has implemented the ISO 45001:2018 Occupational Health &amp; Safety Management System across all manufacturing locations, ensuring a structured and systematic approach to workplace safety. It includes HIRA however as part of our OHS framework- SanKalp, the company has defined a process of conducting comprehensive Hazard Identification and Risk Assessment (HIRA) for all activities and processes to identify potential hazards and take preventive and corrective measures.</p> <p><b>Hazard Identification and Risk Assessment (HIRA):</b></p> <p>HIRA is carried out in a detailed and structured manner for each operation, covering mechanical, electrical, chemical, ergonomic, and process-related risks. This involves evaluating the Severity, Likelihood, and Exposure of each hazard to assign a risk rating and prioritize control measures. For example, detailed HIRAs have been conducted at the Nutralite Plant, Chocolate Plant, Cheese Plant, Sugar Free Section and Complan sections of all facilities to proactively identify hazards and implement appropriate engineering, administrative, and PPE controls.</p>

	<p><b>Job Safety Analysis (JSA):</b> In addition to HIRA, Job Safety Analysis (JSA) is conducted for specific tasks and job roles. JSA involves breaking down a job into sequential steps, identifying potential hazards at each step, and defining safe operating procedures to mitigate risks. This ensures that even routine activities are performed with safety considerations embedded.</p> <p>Through the combined application of HIRA and JSA, Zydus Wellness ensures that risks are systematically identified, assessed, and mitigated, thereby protecting employees from harm and fostering a culture of proactive safety management.</p>
<p>Prioritization and integration of action plans with quantified targets to address those risks.</p>	<p>Zydus Wellness follows a structured approach to ensure all identified risks are systematically addressed with clear priorities and measurable targets. Risks identified through Hazard Identification and Risk Assessment (HIRA) and Job Safety Analysis (JSA) are categorized as significant and non-significant, with priority given to significant risks for immediate mitigation while ensuring corrective actions for all risks.</p> <p>To strengthen monitoring and accountability, ZWL has implemented the "Zysafe" online safety evaluation portal (Designed at Zydus Group level), where employees actively report Unsafe Acts, Unsafe Conditions, and other safety-related activities. These reports are reviewed monthly, ensuring timely corrective measures and promoting a culture of proactive safety management.</p> <p>Importantly, each ZWL site has undertaken specific EHS targets that align with both site-level risk assessments and Group-level goals. Performance is benchmarked through the EHS Index, with every manufacturing facility assigned a target score of 82. This fosters accountability at the site level while encouraging healthy competition across sister units within the Zydus Group.</p> <p>Closure of identified risks and action plans is monitored rigorously by validating proofs of implementation by senior management at Group Level, and ensuring submission of time-bound activities. This structured follow-up process ensures not only compliance but also continuous improvement in workplace safety and risk management.</p>

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

ZyduS Wellness has developed comprehensive Onsite Emergency Plans across all its manufacturing sites. These plans outline detailed procedures for preparedness, response, and recovery in the event of an emergency.

Key actions include:

- i. **Identification of Emergency Risks:** All potential emergency scenarios, including fire, chemical spillage, equipment failure, and natural disasters, are systematically assessed and documented.
- ii. **Emergency Preparedness Measures:** Critical resources, designated Emergency Response Teams (ERTs), and clear communication channels are established to ensure timely action in case of an incident.
- iii. **Mock Drills:** Each site conducts Mock drills on regular basis simulating all potential emergency scenarios, testing the effectiveness of response strategies, evaluating readiness, and identifying areas for improvement. In addition; Fire drills are also conducted for local isolation and people are trained on how to use firefighting equipment in the event of Fire.
- iv. **Integration with Overall Safety Management:** Learnings from drills and actual incidents are incorporated into regular reviews of the Onsite Emergency Plans, ensuring continual improvement and alignment with ISO 45001:2018 requirements.

Through this integrated approach, the company ensures that emergency preparedness is not a one-time exercise but a continuous process of risk identification, practice, evaluation, and improvement.

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

ZyduS Wellness has established a structured mechanism to evaluate progress in reducing and preventing health and safety risks.

- i. **Management System Reviews:** Progress is regularly evaluated as part of the ISO 45001:2018 Occupational Health & Safety Management System audits, Sankalp Audits, Zysafe Audits etc. ensuring alignment with international standards.
- ii. **Target-Based Monitoring:** Defined health and safety targets are reviewed monthly, with performance tracked against set benchmarks.
- iii. **Management Evaluation:** Senior management conducts structured reviews to assess effectiveness of implemented controls, identify gaps, and initiate corrective actions.
- iv. **Continuous Improvement:** Findings from audits and reviews feed into action plans, ensuring sustained improvement in risk reduction and employee well-being.

These multilayered audits and assessments enable the company to quantify progress, verify compliance, and drive continual improvement in safeguarding employee health and safety.

<p>Internal inspections</p>	<p>Zydus Wellness ensures the system level internal audits on periodic frequency. Further, there exists a robust internal inspections process through its Zysafe EHS Index, which provides a structured mechanism for monitoring workplace safety across all sites.</p> <p><b>Multi-Level Safety Rounds:</b></p> <ul style="list-style-type: none"> <li>i. Factory Heads' Rounds- Minimum 3 Observation</li> <li>ii. Senior Leadership Team (SLT) Rounds – Minimum of 3 observations</li> <li>iii. Shift In-Charge Rounds- Minimum 1 Observation</li> <li>iv. EHS Heads' Rounds – Minimum of 17 observations</li> </ul> <p>These rounds ensure comprehensive coverage of safety practices, capturing both proactive and corrective measures.</p> <p><b>Daily Safety Integration:</b> Each morning, L1, L2, and L3 meetings begin with safety highlights from the previous day, reinforcing a culture of continuous awareness and accountability. Further, adherence to various checklists like-Boiler, Emergency Equipment, Ladders, Overhead Cranes, Lifting Tools and Tackles etc. are also ensured as per the defined frequency</p> <p>Through this structured system, Zydus Wellness integrates inspections into daily operations, ensuring hazards are promptly identified, risks minimized, and corrective actions implemented in a time-bound manner.</p>
<p>Independent external verification of health, safety and well-being: please provide the names and standards used (such as ISO 45001):</p>	<p>All manufacturing sites of Zydus Wellness — Ahmedabad, Aligarh, and Sikkim — are certified under ISO 45001:2018 (Occupational Health &amp; 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.</p> <p>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.</p>

<p>Procedures to investigate work-related injuries, ill health, diseases and incidents.</p>	<p>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:</p> <ol style="list-style-type: none"> <li>i. <b>Identification of Underlying Causes</b> – Assessing organizational, procedural, or training deficiencies that may have contributed to the event.</li> <li>ii. <b>Review of Contributing Factors</b> – Examining environmental and workplace conditions to understand their role in the incident.</li> <li>iii. <b>Root Cause Analysis (RCA)</b> – Conducting detailed root cause analysis to uncover immediate and systemic issues.</li> <li>iv. <b>Corrective &amp; Preventive Actions (CAPA)</b>– 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.</li> </ol> <p>This structured investigation process ensures continuous learning from incidents and reinforces the company’s commitment to a zero-harm workplace culture.</p>
<p>OHS training provided to employees and/or other relevant parties to raise awareness and reduce operational health &amp; safety incidents.</p>	<p>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:</p> <p><b>Induction Training Programs:</b></p> <ol style="list-style-type: none"> <li>i. Introduction to company health and safety policies.</li> <li>ii. Overview of workplace hazards and safety rules.</li> <li>iii. Emergency procedures, including fire, evacuation, and first aid.</li> <li>iv. Introduction to Sankalp Framework- ZWL’s OHS Framework</li> </ol> <p><b>Job-Specific Training Programs:</b></p> <ul style="list-style-type: none"> <li>• Safe use of tools, machinery, and equipment.</li> <li>• Handling hazardous substances or materials safely.</li> <li>• Proper use and maintenance of personal protective equipment (PPE).</li> <li>• Ergonomics and safe manual handling techniques.</li> <li>• Hazard Awareness Training</li> <li>• Identification of common workplace hazards (chemical, biological, physical, ergonomic).</li> <li>• Basics of risk assessment and hazard reporting procedures.</li> <li>• Prevention and control measures for specific risks.</li> <li>• Emergency Response Training</li> </ul>

	<ul style="list-style-type: none"> <li>• Fire safety and fire extinguisher use.</li> <li>• First aid training and certifications (e.g., CPR).</li> <li>• Spill response and containment.</li> <li>• Evacuation drills and defined emergency roles.</li> <li>• Health &amp; Wellbeing Training</li> <li>• Stress management and mental health awareness.</li> <li>• Ergonomics and injury prevention.</li> <li>• Substance abuse awareness and prevention.</li> <li>• Legal responsibilities under OHS laws and regulations.</li> <li>• Conducting workplace inspections and audits.</li> <li>• Incident investigation and reporting.</li> </ul> <p>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.</p> <p>This multi-layered training framework strengthens awareness, enhances preparedness, and embeds a strong safety culture across all levels of the organization.</p>
OHS criteria introduced in procurement and contractual requirements.	<p>OHS criteria are incorporated right from the policy level through the company's Sustainable Procurement Policy, making safety an integral part of procurement and contractual requirements. Contractors are expected to adhere to defined safety systems and processes as part of their contractual obligations, while the company works closely with them to build awareness and capability.</p> <p>The ISO 45001:2018-certified OHS management system, provides a structured framework for safety compliance. Additionally, contractors are provided with training and support to strengthen safety culture and ensure safe execution of work.</p>

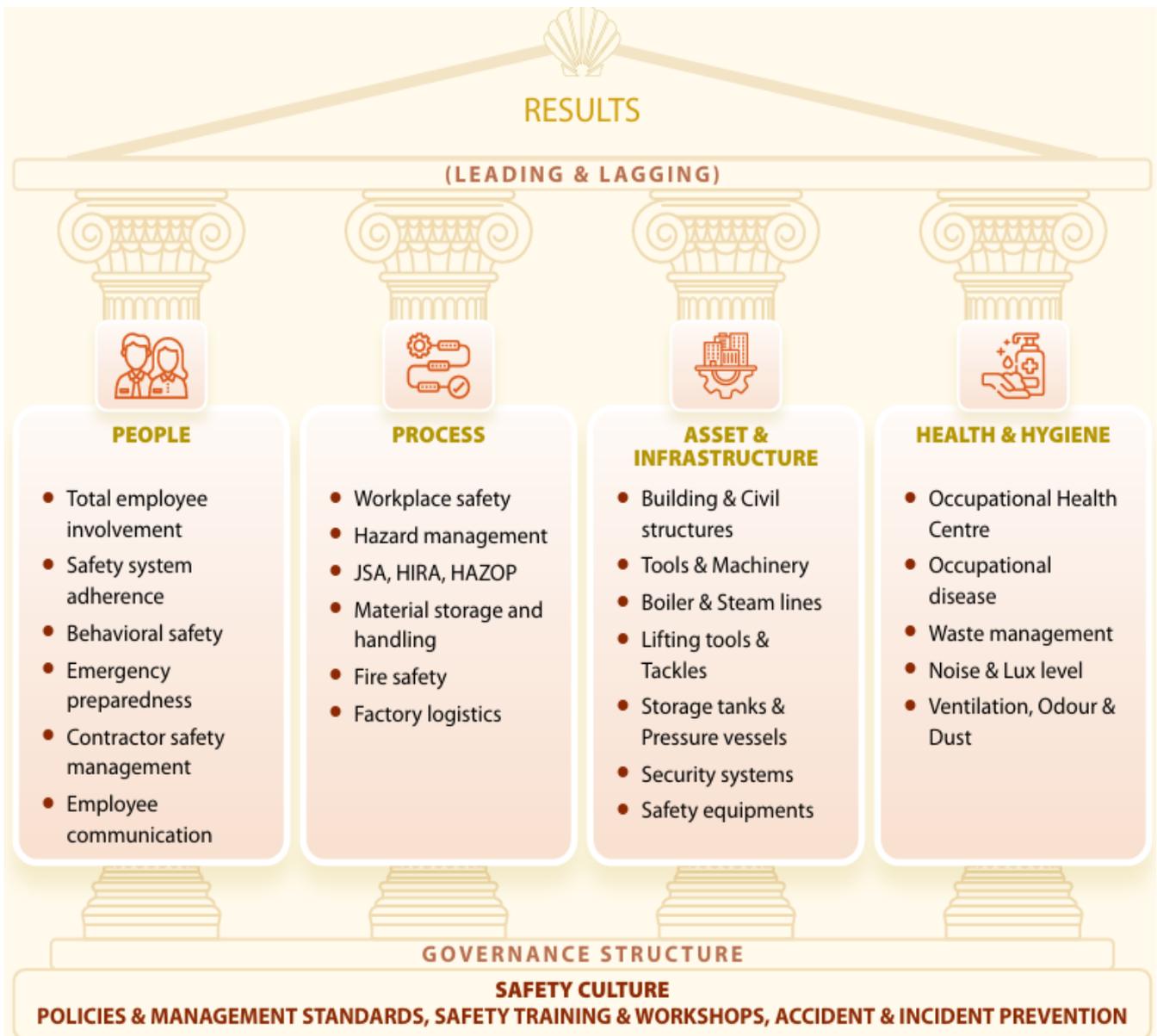


Zydus Wellness follows a comprehensive Safety Management System to ensure a safe workplace

# SanKalp

## Sanraksha Dil Se

**SanKalp - Sanraksha Dil Se** is a comprehensive Occupational Health & Safety programme designed to embed a culture of Safety across our value chain. The SanKalp 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 and Infrastructure and Health and Hygiene- focus 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 2021-22	FY 2022-23	FY 2023-24*	FY 2024-25*
Employees	0	0	0	0
Contractors	0	0	0	0

## Lost-Time Injury Frequency Rate (LTIFR)

Indicator	Unit	FY 2021-22	FY 2022-23	FY 2023-24*	FY 2024-25*
Employees	LTIFR (n/million hours worked)	0	0	0	0
Data Coverage	% of Operations	100%	100%	100%	100%

Indicator	Unit	FY 2021-22	FY 2022-23	FY 2023-24*	FY 2024-25*
Contractors	LTIFR (n/million hours worked)	0	0	0	0
Data Coverage	% of Contractors	100%	100%	100%	100%

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

## Health & Nutrition Programs

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

### 1. Use of a Nutritional Profiling System (NPS)

Zydus 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.

### 2. 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.

### 3. Quantified Targets to Reduce Fat, Salt, Sugar, or Additives

Zydus 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.

#### 4. 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.

#### 5. 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.

#### 6. 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.

#### 7. 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.

#### 8. R&D Investment to Improve Nutrition

Zydu Wellness has set up the Zydu 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.

#### 9. 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.

## Online Strategies & Customers Online

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Sales (Rs in Million)	20,597.4	23,323.2	24,218.6	27,470.6
No of Distributors across all channels (no's)	1,623	1,577	1,580	2,146
No of Distributors using our online tool (no's)	1,232	1,336	1,387	1,798
<b>% of Distributors using online tool</b>	<b>76%</b>	<b>85%</b>	<b>85%</b>	<b>84%</b>
Revenue from distributors using tool (Rs in Million)	15,799.2	17,953.2	18,706.5	19,560.4
<b>% of revenue from distributors using tool</b>	<b>77%</b>	<b>77%</b>	<b>77%</b>	<b>71%</b>

## 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.

The overall satisfaction score was determined based on these parameters, along with the distributors' likelihood of recommending us.

**In FY 2024-25, a total of 520 distributors responded, including Domestic and Export Customers with 58% coverage target from a base of over 980 Distributors. The survey yielded a consolidated average score of 71.4 out of 100, highlighting areas of strength while also indicating opportunities for improvement. This structured approach enables us to further refine our processes, strengthen distributor partnerships, and drive overall business growth.**

Parameters of Evaluation:

- 1. Delivery Operations & Stock Management** – Timeliness, completeness, and efficiency of stock replenishment.
- 2. Order Accuracy & Documentation** – Precision in order fulfilment and accuracy of shipping & billing documentation.
- 3. Invoicing & Payments** – Clarity, transparency, and ease of financial transactions.
- 4. Technology & Systems** – Effectiveness of digital platforms for order management and communication.
- 5. Marketing & Business Support** – Quality of promotional support, visibility initiatives, and business development assistance.
- 6. 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

- 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.

### 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://www.zyduswellness.com/investor/Ethical%20and%20Responsible%20Marketing%20Policy.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.

## **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.

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.

## Sustainability Reporting Assurance

**Independent Reasonable Assurance Statement to Zydus Wellness Limited on their Business Responsibility & Sustainability Report (BRSR) FY2024-25 Core Disclosures.**

### Introduction

Intertek India Private Limited ("Intertek") was engaged by Zydus Wellness Limited ("ZWL") to provide an independent reasonable assurance on its consolidated BRSR (Business Responsibility & Sustainability Report) core disclosures for FY2024-25 as part of their Integrated Annual Report ("the Report"). The scope of the Report comprises the reporting periods of FY2024-25. The Report is prepared by ZWL based on SEBI's (Securities and Exchange Board of India) BRSR guidelines. 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 reasonable assurance engagement were, by review of objective evidence, to confirm whether the sustainability related disclosures in the Report are in alignment with the Business Responsibility and Sustainability Report (BRSR) Core disclosures requirements laid down by SEBI and were accurate, complete, consistent, transparent and free of material errors or omission in accordance with the criteria outlined below.

### Intended Users

This Assurance Statement is intended to be a part of the Integrated Annual Report of Zydus Wellness Limited.

### Responsibilities

The management of ZWL is 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 fraud or error.

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

### Assurance Scope

The assurance has been provided for selected sustainability performance disclosures as per BRSR core disclosures with reference to SEBI's "BRSR Core - Framework for assurance and ESG disclosures for value chain" vide circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, presented by ZWL in its Report. The assurance boundary included data and information of 04 Plants, R&D Centre, other offices, and corporate office.

Our scope of assurance included verification of internal control systems, data and information on core disclosures reported as summarized below:

## BRSR-Core Disclosures

### Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

- Number of days of accounts payable
- Concentration of purchases & sales done with trading houses, dealers, and related parties.
- Loans and advances & investments with related parties

### Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

- Cost incurred on well-being measures of employees and workers as a percentage of total revenue of the company
- Safety related incidents for employees and workers (LTIFR + Fatality + Permanent Disabilities) including contractual workforce

### Principle 5

Businesses should respect and promote human rights

- Gross wages paid to females as percentage of total wages paid
- Complaints on POSH

### Principle 6

Businesses should respect and make efforts to protect and restore the environment

- Total scope 1 and scope 2 emissions
- GHG emissions intensity (scope 1 and 2)
- Total water consumption, water consumption Intensity and water discharge by destination and levels of treatment
- Total energy consumed, percentage of energy consumed from renewable sources and energy intensity
- Total waste generated (category wise), waste intensity, Total waste recovered through recycling, re-using or other recovery operations; Total waste disposed by nature of disposal method; waste diverted from landfill.

### Principle 8

Businesses should promote inclusive growth and equitable development

- Input material sourced (from MSMEs/ small producers and from within India)
- Job creation in smaller towns– Wages paid to persons employed in smaller towns (permanent or nonpermanent /on contract) as % of total wage cost

### Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner

- Instances involving loss / breach of data of customers as % of total data breaches or cyber security events

## Assurance Criteria

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

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

A reasonable assurance engagement involved assessing the risks of material misstatement of the agreed indicators/parameters whether due to fraud or error, responding to the assessed risks as necessary in the circumstances. A materiality threshold level of 5% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and criteria.

## Limitations

We have relied on the information, documents, records, data, and explanations provided to us by ZWL for the purpose of our review. The assurance scope excludes:

- Any disclosures beyond those specified in the Scope section above.
- Data and information falling outside the defined reporting period.
- Data pertaining to the Company's financial performance, strategy, and associated linkages are articulated in the Report
- .Assertions made by the Company encompassing expressions of opinion, belief, aspiration, expectation, forward-looking statements, and claims related to Intellectual Property Rights and other competitive issues.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within software/IT systems.

## Methodology

Intertek performed assurance work using a risk-based approach to obtain the information, explanations and evidence that was considered necessary to provide a reasonable level of assurance. The assurance was conducted by desk reviews, visit to ZWL's manufacturing site in Aligarh, Uttar Pradesh and stakeholder interviews with regards to the reporting and supporting records for the fiscal year 2024-25. Our assurance task was planned and carried out during April- June'2025. The assessment included the following:

- Assessment of the select sustainability performance disclosures in accordance with SEBI's BRSR Core guidelines.
- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available at a selected ZWL's operational site and digitally.
- Conducted physical interviews with key personnel responsible for data management at a selected ZWL's site in Aligarh, Uttar Pradesh.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by ZWL for data analysis.
- Review of BRSR core disclosures for the duration from April 1, 2024 to March 31, 2025 for ZWL was carried out onsite at a selected business location.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed and details would be provided in a separate management report.

## Conclusions

Intertek reviewed BRSR core disclosures provided by ZWL in its Business Responsibility and Sustainability Report (BRSR) in Integrated Annual Report FY2024-25. Based on the data and information provided by ZWL, Intertek concludes that the sustainability data and information is fairly presented in all material aspects as on the reporting standards.

## 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**  
Manager- Sustainability  
2025/06/30



**Elizabeth Mielbrecht, Reviewer**  
Project Director  
2025/06/30

*No member of the verification team (stated above) has a business relationship with ZyduS Wellness Limited "ZWL" 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 Scope 3 GHG Statement

### To The Management of Zydus Wellness Limited, India

#### Introduction

Intertek India Private Limited (“Intertek”) was engaged by Zydus Wellness Limited (“ZWL”) to provide independent limited assurance for facilities under their operational control for selected categories of their scope 3 GHG statement. The scope of the GHG statement comprises the period of FY 2024-25. The assurance was performed in accordance with the International Standard on Assurance Engagement (“ISAE”) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

#### Objective

The objective of this limited assurance engagement was to confirm whether any objective evidence existed to suggest that the selected categories of the scope 3 GHG statement of ZWL was not accurate, complete, consistent, transparent, or suggested material errors or omissions.

#### Intended Users

The assurance statement is intended to be a part of ESG Databook FY 2024-2025 of ZWL.

#### Responsibilities

ZWL is solely responsible for developing the scope 3 GHG statement and its presentation. ZWL is also responsible for designing, implementing and maintenance of internal controls relevant to the preparation of the GHG statement so that it is free from material misstatement, whether due to fraud or error.

Intertek’s responsibility, as agreed with ZWL, is to provide limited level assurance and express an opinion on the data and assertions in the GHG statement 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 categories of scope 3 GHG emissions presented by ZWL in the GHG statement. The assurance boundary included data and information for the operations of ZWL in Ahmedabad, Aligarh, Sikkim and the Corporate Office in India with reference to Greenhouse Gas Protocol Guidance. Our scope of assurance included verification of data and information only on selected emission categories reported below:

- Category 2: Capital Goods
- Category 5: Waste generated in operations
- Category 7: Employee commuting
- Category 8: Upstream leased assets
- Category 9: Downstream transportation and distribution

#### Assurance Criteria

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

- International Standard on Assurance Engagements (ISAE) 3000 (revised) for ‘Assurance

#### Engagements other than Audits

- International Standard on Assurance Engagements (ISAE) 3410 for 'Assurance Engagements on Greenhouse Gas Statement.

A limited assurance engagement involved assessing the risks of material misstatement of the agreed indicators/parameters whether due to fraud or error, responding to the assessed risks as necessary in the circumstances. A materiality threshold level of 10% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and criteria.

#### Limitations

Assurance was conducted only on the selected categories of scope 3 as reported by ZWL. We have relied on the information, documents, records, data, and explanations provided to us by ZWL for the purpose of our review.

The assurance scope excludes:

- Any disclosures beyond those specified in the scope section above.
- Data and information fall outside the defined reporting period.
- Data pertaining to the Company's financial performance, strategy, and associated linkages articulated in GHG statement.
- Assertions made by the Company encompassing expressions of opinion, belief, aspiration, expectation, forward-looking statements, and claims related to Intellectual Property Rights and other competitive issues.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within software/IT systems.

#### Methodology

Intertek performed assurance work using a risk-based approach to obtaining information, explanations and evidence that was considered necessary to provide a limited level of assurance. The verification was conducted by desk review with regard to the GHG Statement, reporting and supporting records for FY 2024-25. Data and information supporting the GHG Statement were historical in nature and proven by evidence. Our assurance task was planned and carried out during September 2025. 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.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by ZWL for data analysis.
- Review of GHG related data on sample basis for the duration from 1st April 2024 to 31st March 2025 was carried out remotely through virtual interactions.
- Recalculation of GHG emissions based on the data provided.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed.

## Conclusions

In our opinion, based on the procedure performed and evidence obtained as per the scope of this assurance engagement, and the data and information provided by ZWL, nothing has come to our attention that causes us to believe that the data and information presented in the GHG statement is not materially correct and is not fairly represented.

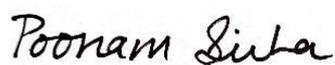
Scope 3 GHG emissions for selected categories for FY 2024-25 are equal to:

Scope 3 Category	
Capital goods	1934 tCO <sub>2</sub> e
Waste generated in operations	19 tCO <sub>2</sub> e
Scope 3 Category	
Employee commuting	855 tCO <sub>2</sub> e
Upstream leased assets	1513 tCO <sub>2</sub> e
Downstream transportation and distribution	27294 tCO <sub>2</sub> e
Total	31615 tCO <sub>2</sub> e

## 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**  
 Manager- Sustainability  
 2025/09/16



**Elizabeth Mielbrecht, Reviewer**  
 Project Director

*No member of the verification team (stated above) has a business relationship with ZyduS Wellness Limited "ZWL" 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 FY2024-25

### 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 ESG disclosure reported in ESG Databook FY2024-25 (“the Report”). The scope of the Report comprises the reporting period of FY 2024-25. The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

#### Objective

The objectives of this limited assurance exercise were, by review of objective evidence, to confirm whether any evidence existed that the selected ESG disclosures in alignment with reporting guidelines, as declared in the Report, were not accurate, consistent, transparent and free of material error or omission in accordance with the criteria outlined below.

#### Intended Users

The assurance statement is intended to be a part of ESG Databook FY 2024-2025 of ZWL.

#### 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 ESG 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 performance disclosures reported as summarized below:

ESG Disclosures	Reporting Guidelines
Living wage	Anker methodology
Equal pay	Derivation based on GRI 405: Diversity and Equal Opportunity 2016: 405-2
Materiality assessment	GRI 3: Material Topics 2021: 3-1,3-2,3-3

## Assurance Criteria

Intertek conducted the assurance work in accordance with the 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 involved assessing the risks of material misstatement of the agreed indicators/parameters whether due to fraud or error, responding to the assessed risks as necessary in the circumstances. A materiality threshold level of 10% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and criteria.

## Methodology

Intertek performed assurance work using risk-based approach to obtain 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 2024-2025. Our assurance task was planned and carried out during September 2025. 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.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by ZWL for data analysis.
- Review of sustainability related data on sample basis for the duration from 1st April 2024 to 31st March 2025
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed.

## Conclusions

Intertek reviewed selected ESG disclosures provided by ZWL in its ESG Databook FY2024-25. 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**  
Manager- Sustainability  
Intertek Assuris  
2025/09/16

*Beth Mielbrecht*

**Elizabeth Mielbrecht, Reviewer**  
Project Director  
Intertek Assuris

*No member of the verification team (stated above) has a business relationship with ZyduS Wellness Limited "ZWL" 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.*

# Our Governing Policies

Policies	Links
ESG Policy	<a href="http://www.zyduswellness.com/investor/ESG%20Policy.pdf">www.zyduswellness.com/investor/ESG%20Policy.pdf</a>
IT & Cybersecurity Policy	<a href="http://www.zyduswellness.com/investor/IT-&amp;-Cybersecurity-Policy.pdf">www.zyduswellness.com/investor/IT-&amp;-Cybersecurity-Policy.pdf</a>
Anti-Bribery and Anti-Corruption Policy	<a href="http://www.zyduswellness.com/investor/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf">www.zyduswellness.com/investor/Anti-Bribery%20and%20Anti-Corruption%20Policy.pdf</a>
Human Rights Policy	<a href="http://www.zyduswellness.com/investor/Human%20Rights%20Policy.pdf">www.zyduswellness.com/investor/Human%20Rights%20Policy.pdf</a>
Diversity & Inclusion Policy	<a href="http://www.zyduswellness.com/investor/Diversity%20and%20Inclusion%20Policy.pdf">www.zyduswellness.com/investor/Diversity%20and%20Inclusion%20Policy.pdf</a>
Biodiversity Policy	<a href="http://www.zyduswellness.com/investor/Bio-Diversity-Policy-Rev.2.0.pdf">www.zyduswellness.com/investor/Bio-Diversity-Policy-Rev.2.0.pdf</a>
Ethical and responsible marketing Policy	<a href="http://www.zyduswellness.com/investor/Ethical%20and%20Responsible%20Marketing%20Policy.pdf">www.zyduswellness.com/investor/Ethical%20and%20Responsible%20Marketing%20Policy.pdf</a>
Risk Management policy	<a href="http://www.zyduswellness.com/investor/Risk%20Management%20Policy.pdf">www.zyduswellness.com/investor/Risk%20Management%20Policy.pdf</a>
Occupational Health and safety policy	<a href="https://www.zyduswellness.com/investor/Occupational-Health-Safety-Policy.pdf">https://www.zyduswellness.com/investor/Occupational-Health-Safety-Policy.pdf</a>
Environmental Health & Safety policy	<a href="http://www.zyduswellness.com/investor/Corporate-EHS-policy.pdf">www.zyduswellness.com/investor/Corporate-EHS-policy.pdf</a>
Non-Discrimination and Anti-Harassment policy	<a href="http://www.zyduswellness.com/investor/zwl-posh-policy-feb-20.pdf">www.zyduswellness.com/investor/zwl-posh-policy-feb-20.pdf</a>
Environment Policy	<a href="https://www.zyduswellness.com/investor/Environment-Policy.pdf">https://www.zyduswellness.com/investor/Environment-Policy.pdf</a>
No Deforestation Policy	<a href="https://www.zyduswellness.com/investor/No-Deforestation-Policy.pdf">https://www.zyduswellness.com/investor/No-Deforestation-Policy.pdf</a>
Sustainability policy	<a href="https://www.zyduswellness.com/investor/Sustainability-Policy.pdf">https://www.zyduswellness.com/investor/Sustainability-Policy.pdf</a>
Sustainable sourcing policy	<a href="https://www.zyduswellness.com/investor/Sustainable-Sourcing-Policy.pdf">https://www.zyduswellness.com/investor/Sustainable-Sourcing-Policy.pdf</a>
POSH policy	<a href="https://www.zyduswellness.com/investor/POSH-Policy-Latest-Rev.pdf">https://www.zyduswellness.com/investor/POSH-Policy-Latest-Rev.pdf</a>
CSR Policy	<a href="http://www.zyduswellness.com/investor/CSR-Policy-ZWL-01.02.2021.pdf">www.zyduswellness.com/investor/CSR-Policy-ZWL-01.02.2021.pdf</a>
Policy on Related Party Transactions	<a href="http://www.zyduswellness.com/investor/Policy-on-Related-Party-Transactions-March-2022.pdf">www.zyduswellness.com/investor/Policy-on-Related-Party-Transactions-March-2022.pdf</a>
Policy on the Preservation of documents	<a href="http://www.zyduswellness.com/investor/Policy-on-Preservation-of-Documents.pdf">www.zyduswellness.com/investor/Policy-on-Preservation-of-Documents.pdf</a>
Dividend Distribution Policy	<a href="http://www.zyduswellness.com/investor/Dividend%20distribution%20policy.pdf">www.zyduswellness.com/investor/Dividend%20distribution%20policy.pdf</a>
Whistleblower Policy	<a href="https://www.zyduswellness.com/investor/Whistle%20Blower%20Policy%2002-08-24.pdf">https://www.zyduswellness.com/investor/Whistle%20Blower%20Policy%2002-08-24.pdf</a>
Code of business conduct-Employees	<a href="http://www.zyduswellness.com/investor/Zydus%20Business%20Conduct%20Policy.pdf">www.zyduswellness.com/investor/Zydus%20Business%20Conduct%20Policy.pdf</a>
Code of conduct for Vendors	<a href="http://www.zyduswellness.com/investor/code-of-conduct-for-vendors-feb-2023.pdf">www.zyduswellness.com/investor/code-of-conduct-for-vendors-feb-2023.pdf</a>
Board Diversity Policy	<a href="http://www.zyduswellness.com/investor/board-diversity-policy-feb-23.pdf">www.zyduswellness.com/investor/board-diversity-policy-feb-23.pdf</a>

NRC Policy	<a href="https://www.zyduswellness.com/investor/NRC%20Policy%20May'%2024.pdf">https://www.zyduswellness.com/investor/NRC%20Policy%20May'%2024.pdf</a>
Code of Business conduct and Ethics Policy	<a href="http://www.zyduswellness.com/investor/code-of-business-conduct-and-ethics-policy.pdf">www.zyduswellness.com/investor/code-of-business-conduct-and-ethics-policy.pdf</a>
Policy on Determination of legitimate purpose for sharing UPSI	<a href="http://www.zyduswellness.com/investor/policy-on-determination-of-legitimate-purpose-for-sharing-upsi.pdf">www.zyduswellness.com/investor/policy-on-determination-of-legitimate-purpose-for-sharing-upsi.pdf</a>
Archival Policy	<a href="http://www.zyduswellness.com/investor/archival-policy.pdf">www.zyduswellness.com/investor/archival-policy.pdf</a>
Policy for inquiry in case of leakage of UPSI	<a href="http://www.zyduswellness.com/investor/Policy-on-inquiry-on-leakage-of-UPSI.pdf">www.zyduswellness.com/investor/Policy-on-inquiry-on-leakage-of-UPSI.pdf</a>
Policy on preservation & utilization of stationery	<a href="http://www.zyduswellness.com/investor/Policy-for-monitoring-stationery-etc-as-per-SEBI-Circular.pdf">www.zyduswellness.com/investor/Policy-for-monitoring-stationery-etc-as-per-SEBI-Circular.pdf</a>
Policy for determining material subsidiaries	<a href="http://www.zyduswellness.com/investor/Policy_to_determine_Material_Subsiary.pdf">www.zyduswellness.com/investor/Policy_to_determine_Material_Subsiary.pdf</a>
Policy for determination and disclosure of materiality of an event or information and its disclosure	<a href="http://www.zyduswellness.com/investor/Policy%20to%20determine%20materiality%20of%20an%20event%20or%20information.pdf">www.zyduswellness.com/investor/Policy%20to%20determine%20materiality%20of%20an%20event%20or%20information.pdf</a>
Policy on fair disclosure and conduct and code of prevention of insider trading	<a href="https://www.zyduswellness.com/investor/Insider%20Trading%20code%20-%20Clean.pdf">https://www.zyduswellness.com/investor/Insider%20Trading%20code%20-%20Clean.pdf</a>
Public policy	<a href="http://www.zyduswellness.com/investor/public-policy.pdf">www.zyduswellness.com/investor/public-policy.pdf</a>
Tax Policy	<a href="https://www.zyduslife.com/public/pdf/Tax-Policy.pdf">https://www.zyduslife.com/public/pdf/Tax-Policy.pdf</a>

For more details refer to: Integrated Annual report of Zydus Wellness FY 2024-25  
[www.zyduswellness.com/investor/IntegratedAnnual-Report-FY-2024-25.pdf](http://www.zyduswellness.com/investor/IntegratedAnnual-Report-FY-2024-25.pdf)

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**wellness**  
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