

Zydus Lifesciences Limited



ESG

REPORT

2024 - 25



zydus
Dedicated To Life

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About the Report

Zydus Lifesciences Limited is a leading innovation-driven life sciences Company in India, engaged across the entire pharmaceutical value chain. The Company's operations encompass research and development, manufacturing, marketing, and distribution of finished dosage forms, including generics, branded generics, specialty formulations, biosimilars, vaccines, and active pharmaceutical ingredients (APIs). Innovation remains central to the Company's strategy, driving business sustainability through a continuous pipeline of new products across therapeutic categories and delivering long-term value to all stakeholders.

The ESG Report for FY2024–25 presents key insights into the Company's non-financial performance for the reporting period from 1st April 2024 to 31st March 2025. The environmental, social, and governance disclosures pertain specifically to the healthcare division, which accounts for 88% of the Zydus Group's consolidated revenue.

The Company is pleased to share that the critical Key Performance Indicators (KPIs) outlined in this report have been externally assured by M/s Intertek India Private Limited, an independent third-party assurance provider. This assurance was conducted through the Business Responsibility and Sustainability Reporting (BRSR) section of the Integrated Annual Report, with a "Reasonable Assurance" level, which is higher than a limited assurance. The Assurance Statement is available on page 272 of the Integrated Annual Report FY2024–25.

The scope of non-financial performance presented in this report encompasses the Company's pharmaceutical manufacturing operations across multiple locations, including Ahmedabad, Ankleshwar, Dabhasa, Ambarnath, Vatva, Moraiya, Jarod, Baddi, Goa, Ekalbara, Surat, Myanmar, and Zydus Corporate Park (ZCP). It also includes specialised facilities such as the Vaccine Technology Centre (VTC), Zydus Research Centre (ZRC), API Park, and LM Manufacturing (United Kingdom). Additionally, the report covers offices and units dedicated to Ointments, Biologics, Onco Tablets, Onco Injectables, medical equipment, Transdermal technologies, and other pharmaceutical services within the Zydus Group.



Sustainability at Zydus Lifesciences

In a world increasingly shaped by climate change and social fragmentation, both of which pose significant threats to livelihoods and ecosystems, the Company recognises the urgent need to address these global challenges. Through proactive action, the Company not only reinforces its commitment to responsibility and innovation but also contributes to building a resilient and sustainable future for all.

Sustainability is deeply embedded in the Company's strategic approach across its operations, supply chain, and stakeholder engagement. Aligned with its vision *"To be a global life sciences Company transforming lives through path-breaking discoveries,"* the Company's sustainability framework is built on three core pillars: **combating global climate change, promoting employee and community wellbeing, and upholding strong governance practices.**

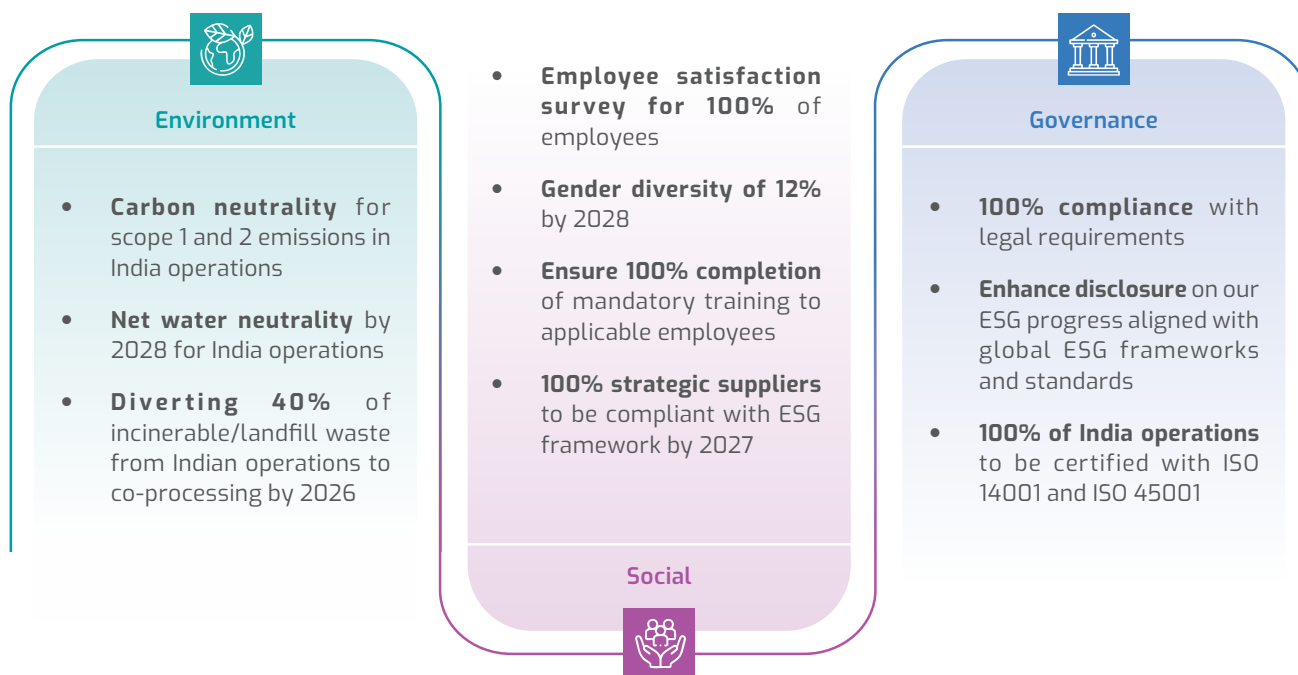
The Company is also committed to advancing the United Nations Sustainable Development Goals (SDGs) through targeted initiatives and measurable sustainability commitments. To this end, it has established strategic targets aimed at generating a positive impact for all stakeholders. These targets reinforce the Company's long-term sustainability agenda and ensure accountability across its operations. The Company remains dedicated to achieving these goals for its standalone India operations by the year 2035.

The Company is listed on the Indian Stock Exchange and does not fall within the legal scope of any sustainability taxonomy framework applicable to the specified jurisdictions. Accordingly, the matter of sustainability taxonomy is not considered relevant to the Company.

ESG Pillars

Combating Global Climate Change	Employee and Community Wellbeing	Good Governance Practices
Affordable and Clean Energy  Climate Change (Energy and Emissions)	No Poverty  Corporate Social Responsibility	Industry, Innovation and Infrastructure  Research and Development and Innovation
Clean Water and Sanitation  Water Management	Zero Hunger  Corporate Social Responsibility	Responsible Consumption and Production  Sustainable Supply Chain, Responsible Marketing, Selling Practices and Product Labelling
Responsible Consumption and Production  Waste Management and Extended Producer Responsibility	Good Health and Wellbeing  Employee Health and Safety	Peace, Justice and Strong Institutions  Anti-Bribery and Corruption, ESG Reporting and Performance
Climate Action  Climate Change (Energy and Emissions)	Gender Equality  Community Engagement	Partnerships for the Goals  Corporate Governance and Business Ethics
Life on Land  Biodiversity Conservation	Decent Work and Economic Growth  Human Capital and Welfare	
	Sustainable Cities and Communities  Community Engagement	

ESG Goals



Approach to Sustainability



Adopting a top-down approach to sustainable operations and fostering a positive impact, the Company has designated its Corporate Social Responsibility (CSR) and Environment, Social and Governance (ESG) Committee of the Board of Directors as the central authority for driving sustainable value creation. Guided by a detailed term of reference, this Committee monitors and oversees all sustainability initiatives and provides regular updates to the Board. It also conducts biannual reviews of the Company's ESG performance, enabling continuous improvement and informed strategic decision-making.

The Company's approach to environmental stewardship is comprehensive and action oriented. It undertakes targeted initiatives for energy efficiency and emissions reduction to support responsible and sustainable operations. Water stewardship remains a key priority, complemented by robust waste management practices aimed at minimising environmental impact. In addition, the Company actively promotes biodiversity conservation and product stewardship, forming a holistic strategy that mitigates adverse effects while fostering sustainable development within local communities.

The Company is deeply committed to social responsibility, with a strong emphasis on human rights and ethical labour practices across all its operations. It maintains rigorous health and safety standards to ensure a secure and supportive workplace for every employee. The Company's commitment also includes providing access to healthcare programmes that promote physical and mental well-being. Furthermore, it invests in employee development through continuous training and support initiatives, cultivating a culture of growth and empowerment that enables individuals to thrive both professionally and personally.

Sustainability is a core element of the Company's corporate identity. By embedding environmental stewardship, social responsibility, and sound governance into every facet of its operations, the Company strives to deliver enduring value to stakeholders and contribute meaningfully to a sustainable future.

Sustainability Integrated Business Strategy

The Company is committed to integrating and prioritising sustainability considerations across its operations and business strategies. It has identified key material sustainability issues and assessed their potential impact on business performance and stakeholder value. The Company's approach is anchored in several core components:

Board-Level Oversight: The Board of Directors provides active oversight of the Company's sustainability commitments and their alignment with corporate strategy. This oversight is supported by specialised committees with clearly defined roles and responsibilities to ensure effective implementation of sustainability initiatives and adherence to sustainability principles across operations.

Risk Management: Insights derived from materiality assessments and stakeholder engagement are closely embedded within the Company's enterprise risk management framework. This integration enables the identification, mitigation, and optimisation of sustainability-related risks and opportunities. Effective management of these risks is essential to the Company's long-term value creation and business resilience.

ESG Metrics and Reporting: The Company places strong emphasis on transparency through accurate and timely disclosure of its sustainability performance. Robust tracking mechanisms have been established to monitor progress against defined sustainability targets and key performance indicators, including energy and emissions, waste and water management, safety, and human resources. In accordance with SEBI regulations, the Company reports its Business Responsibility and Sustainability Reporting (BRSR) framework as part of its Annual Report. The BRSR for FY2024-25 report is available on page 232 of the Integrated Annual Report at the following link: <https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf> The Company also participates in the annual Corporate Sustainability Assessment conducted by S&P Global and publishes a dedicated ESG Report.

Innovation and Science: Guided by its vision to enhance access to healthcare through path-breaking discoveries, the Company leverages science and innovation to drive sustainable impact. This includes focused efforts to improve community wellbeing, safeguard the natural environment, and uphold the highest standards of ethical business conduct—all embedded within its strategic and sustainability frameworks.

Stakeholder Engagement: The Company conducts regular and targeted stakeholder engagement to understand evolving expectations and priorities. These insights are systematically integrated into its business strategies and sustainability commitments, ensuring responsiveness and alignment with stakeholder needs.



ESG Highlights

Environment

- ❖ Reduction in **GHG intensity** (tCO₂e/Revenue in Million Rupees) by **12%** in FY2025 w.r.t FY2024
- ❖ Reduction in **Energy intensity** (GJ/Revenue in Million Rupees) by **05%** in FY2025 w.r.t FY2024
- ❖ Reduction in **Water intensity** (KL/Revenue in Million Rupees) by **09%** in FY2025 w.r.t FY2024
- ❖ **44%** of **waste disposal** via eco-friendly manner (**Co-processing / Preprocessing**) in FY2025 w.r.t 28% in FY2024
- ❖ **38%** share of **renewable energy** in total energy mix
- ❖ **1.32 Lakh MWh energy savings** due to improvement in energy efficiency over the past 03 years
- ❖ **0.51 million m³ water savings** due to improvement in water efficiency over the past 03 years
- ❖ Abatement of **>01Lakh tCO₂e** due to increase in RE usage and improvement in GHG intensity over the past 03 years
- ❖ **Lifecycle Cycle Assessment (LCA)** of Mesalamine API & DR Tablets

Social

- ❖ **Zero Fatality** in consecutive three years (FY2022-25)
- ❖ **08% Gender Diversity**
- ❖ Parental Leaves to all employees
- ❖ **Great Place to Work (GPTW)** certification for consecutive **four years**
- ❖ Established quality management system to ensure quality, safety and sustainable supply of drug products
- ❖ Annual health checkups and subsidized treatment for employees and their families
- ❖ Established grievance redressal mechanism system for employees
- ❖ **73%** of materials purchased from local suppliers from within India
- ❖ **39%** of supply chain partners assessed on **ESG parameters**
- ❖ **>04 lakhs** of **direct impact beneficiaries** through CSR initiatives
- ❖ Increase in CSR initiatives for improvement in community healthcare (Page 114 of Integrated Annual Report FY2025 at the following link: <https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf>)

Governance

- ❖ Established **CSR & ESG committee** of Board of Directors
- ❖ **Board diversity** of **50%** in CSR and ESG committee
- ❖ **Board gender diversity** of **22%**
- ❖ **Board Independence** of **56%**
- ❖ **Established ESG function** at corporate level for driving ESG initiatives
- ❖ Established role and responsibilities on ESG from Senior Management to Plant level positions
- ❖ **Established ESG policies:** <https://www.zyduslife.com/Companypolicy>
- ❖ **Established management systems** of **ISO 14001** and **ISO 45001** at operational units
- ❖ **Zero significant fines or penalties** related to the environment or ecology in last 03 years
- ❖ Constituent **member of FTSE4Good Index**
- ❖ **78/100** ESG score in **Corporate Sustainability Assessment (CSA)** by S&P Global 2024
- ❖ ESG Score of **67/100** by **NSE Sustainability Ratings and Analytics Limited** Score
- ❖ Rated in **"Medium ESG risk"** band by **Sustainalytics**
- ❖ **64/100** (Crisil Core ESG score) and **61/100** Crisil ESG Score by **Crisil ESG Ratings**
- ❖ **66/100** ESG score by **ESGrisk.ai**



GOVERNANCE STEWARDSHIP



Corporate Governance

Board Composition

The Company emphasises a top-down approach to ensure effective governance practices and maximise operational excellence. The Company has one-tier board structure with 9 Board of Directors, which includes 2 Executive Directors, and 7 Non-Executive Directors, of which 5 are Independent Directors (56%). There are 2 female directors on the Board representing a gender diversity of 22%. Pursuant to the provisions of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Independent Directors are required to submit an annual declaration of independence, confirming compliance with the criteria set out in the regulations. Currently, 56% of the Directors on the Board are Independent. To ensure adequate independence of the Board, the Company shall always maintain a minimum of 50% of Independent Directors on the Board, in line with SEBI requirements.



The Board of Directors is chaired by Mr. Pankaj R. Patel, a non-executive director. The average tenure of the Board as of May 2025 is 12.64 years. Within the Company's board composition, 1 of its independent/nonexecutive directors bring specialised expertise in the pharmaceutical industry (<https://www.zyduslife.com/public/pdf/board-of-director-profile/Profile-Pankaj-Patel.pdf>). Seven Board meetings were held during the reporting period and the Board attendance recorded was 93.85%.

During the reporting period, the Nominations and Remuneration Committee (NRC) carried out an evaluation of the Board, in line with the SEBI Guidance Note on Board Evaluation. Evaluation sheets are circulated to all the directors, which once filled are submitted to the Chairman of the Board. The assessment is conducted on multiple levels - for the Board as a whole, Committees of the Board, Individual Directors, and the Chairman of the Board.

A distinct evaluation of the Board's independent directors is also conducted, evaluating their preparedness for Board meetings, relationship with other Board members, their knowledge of market and regulatory developments.

Eight of the Company's Independent/Non-executive directors hold 4 or less mandates in other publicly listed entities and are limited to holding a maximum of 7 mandates as per SEBI regulations. In line with the Companies Act, 2013, one- third of all non-independent directors retire by rotation and are re-elected every year. All directors of the Board are elected individually, as opposed to 'by slate'.

The total remuneration of the Managing Director for the reporting period was INR 360,000,000 and the median employee salary for the same period was INR 550,013, with a resulting ratio of 654.52:1.

Board Diversity Policy

The Company's formal policy on board gender diversity can be seen at the following link:

<https://www.zyduslife.com/pdf/Companypolicy>

Management Ownership

Position	Name(s)	Multiple of base salary
Chief Executive Officer	Dr. Sharvil P. Patel	0.062

Management Ownership Requirements

CEO is part of promoter group / founding family and collectively holds ~75% shareholding (which is the maximum limit as per Indian regulation) and can be found on Page No. 224 of the Integrated Annual Report at the following link: <https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf>

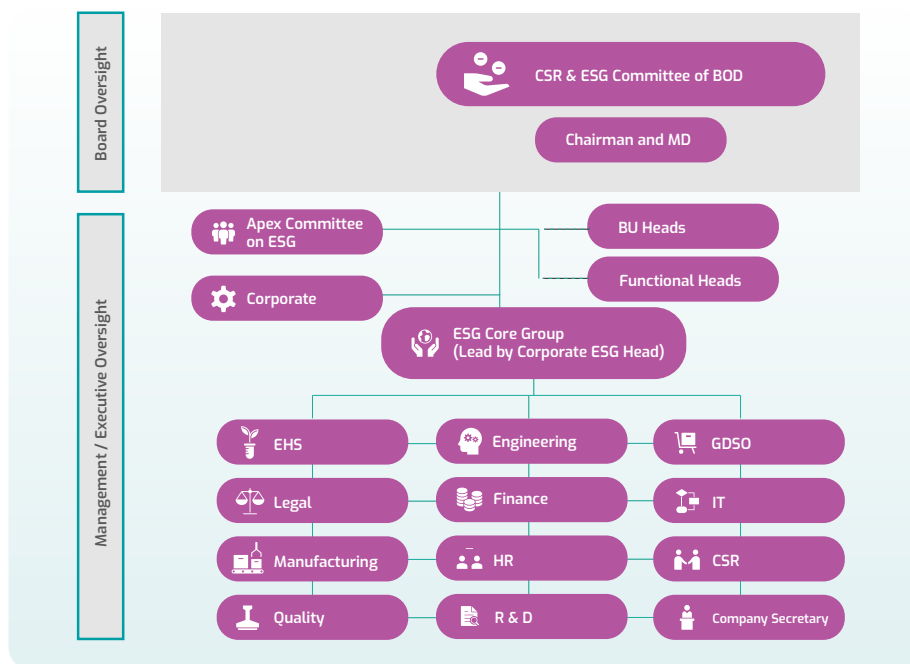
Government Ownership

None of Govt. institutions own more than 5% of the total voting rights of the Company and can be referred from Page No. 225 and 316 of the Integrated Annual Report at the following link: <https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf>

Family Ownership

Zydus Family Trust, owned by promoter group/ founding family members, own 74.96% ownership and voting rights in the Company and can be referred from Page No. 225, 316 and 317 of the Integrated Annual Report at the following link: <https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf>

ESG Governance Structure



Overview of ESG committees

Governance Bodies	Composition	Roles and Responsibilities
CSR and ESG Committee	Mix of executive, non-executive directors, including the Chairman and MD	- Oversee and recommend to the Board of Directors ("the Board") on the Company policies, strategies and programmes related to matters of Environment, Social, and Governance (ESG). - Guide the executive management to develop strategy of the Company towards ESG. - Review the Company's performance with respect to ESG matters and monitor the Company's progress in this regard. - Review the Company's stakeholder engagement plan around material ESG issues identified by management. - Review of public disclosures on ESG i.e., Business Responsibility and Sustainability Report (BRSR), Annual Report etc. - Review periodic updates from management on ESG trends and key initiatives. - Periodically review and monitor Company performance in external ESG ratings and provide guidance for improvement in ESG scores.

Governance Bodies	Composition	Roles and Responsibilities
ESG Apex Committee	Chaired by CFO, Members including CHRO, CFO and other Senior Management team members	- Provides organisational vision and holistic direction to drive ESG programme. - Provides operational insights to the team ESG core group. - Approves the annual ESG disclosures of the organisation i.e. Annual Report, BRSR, ESG Report etc. - Allocates resource to the team for executing the ESG programme. - Reviews ESG performance quarterly.
Corporate ESG	Head ESG, ESG SPOC at Corporate Office	- Coordinates with ESG Apex Committee as per the requirements on new ESG updates. - Coordinates with ESG core group on a quarterly basis. - Develops ESG disclosures for annual reports, Sustainability report and ESG rating questionnaire by taking inputs from BU heads and functional heads. - Facilitate ESG core group for third party validation during Annual Report, BRSR etc.
ESG Core Group	Site Heads, Functional Area Experts of locations.	- Provides all data and information pertaining to ESG requirements i.e. Annual Reports, BRSR, Sustainability Report, National Awards etc. - Engagement with external auditors, assessors during ESG disclosure cycle. - Identify material risk with management approach for disclosure in public domain. - Implement and sustain management systems of ISO 14001, 50001 etc. to support ESG programmes and conduct reviews by concerned management representative (MR) on quarterly basis. - Internal review on ESG performance on monthly basis for key ESG KPI. - Report to Functional heads regarding ESG performance and future actions to achieve ESG targets.



Materiality

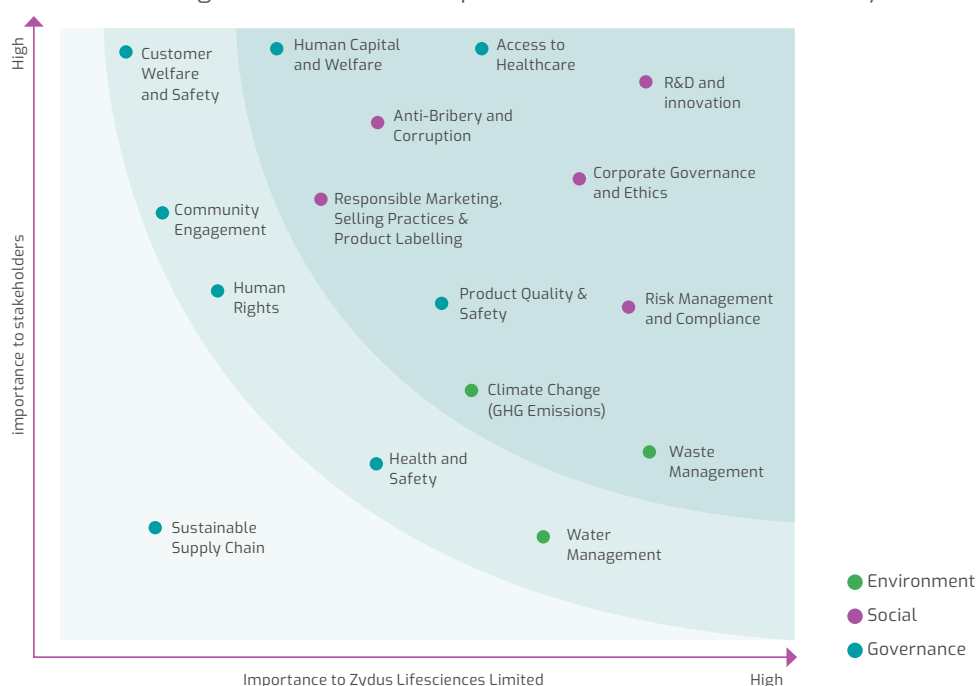
Materiality Analysis

Stakeholder engagement is a fundamental cornerstone of the Company's operational approach. Timely and detailed engagement enables the generation of insights into stakeholder expectations, which are subsequently integrated into the business strategy. The Company remains committed to long-term value creation for all stakeholders in a manner that is both sustainable and enhances positive impacts.

To support this commitment, the Company has implemented a structured methodology for stakeholder identification and mapping. The identified stakeholders represent a broad spectrum of internal and external entities, including shareholders and investors, regulators, suppliers, channel partners, healthcare professionals, industry associations, local communities, consumers, patients, and employees.

For the reporting year FY 2024–25, the Company conducted a comprehensive Materiality Assessment through a well-defined process involving both internal and external stakeholders. This process led to the identification of critical material issues, which have been integrated into the Company's operational strategy and value creation approach. The insights generated through stakeholder engagement enabled management to incorporate external perspectives while reviewing the risk register and preparing risk responses to material topics that could potentially impact the Company's ability to preserve, create, or erode value.

The approach, process, methodology, and outcomes of the Materiality Assessment were verified by a third-party assurance provider, Intertek India Pvt. Ltd. The assurance statement is available on Page No. 142-143 of this report. The material issues identified through this assessment are presented in the form of a materiality matrix.



The priority material issues have been reviewed and approved by the Board of Directors and Senior Management. The Company would review the material topics every year and undertaking materiality assessment every three years to ensure continued relevance and responsiveness to stakeholder concerns. Furthermore, the Company has integrated the Materiality Assessment into its Enterprise Risk Management (ERM) process to enhance strategic decision-making by aligning risk priorities with stakeholder expectations and long-term value creation. This integration enables the Company to systematically identify, evaluate, and monitor risks that are most significant to its financial performance, reputation, and sustainability. By embedding materiality within ERM, the Company improves its ability to anticipate emerging risks and issues, allocate resources effectively, and strengthen operational resilience.

The Company remains dedicated to closely monitoring and tracking performance and progress across all identified material topics. A detailed explanation of the Company's approach to managing the top five material topics—those with the highest relative importance to internal and external stakeholders—has been provided in this report.

Material Issues for Internal Value Creation

Indicator	Material Issue 1	Material Issue 2	Material Issue 3
Material Issue	Product Quality and Safety	Waste Management	Climate Change
Business Case	Failure to comply and adhere to quality standards can result in regulatory action, causing an adverse impact on the Company's business. It can also impact the product supply and lead to cessation of new product approvals from concerned sites.	Inefficient waste management is detrimental to the Company's operations and reputation and can also result in regulatory action. Effective management of the waste generated from operations is crucial to enhance the Company's positive environmental footprint. Targeted efforts to reduce the waste generated and increase safe disposal of hazardous waste is imperative for a holistic approach to sustainability.	Climate change, especially extreme weather events and rising global temperatures pose a grievous risk to the sustainability of businesses. Ineffective management of GHG emissions can expose the Company to climate related physical and transition risks. This could lead to operational disruptions and higher compliance or investment costs. Failure to adapt to adverse impacts of climate change can also lead to loss of reputation and stakeholder trust.
Business Impact	Revenue	Risk	Risk
Business Strategy	- Establishing a robust quality management system which ensures the quality, safety and sustainable supply of products. - Implementation of Quality Risk Assessment Program to ensure regulatory and data integrity compliance. - Implementation of industry learning (regulatory learning) to avoid the recurrence of quality issues. - Review of processes / product performance, key quality indicators, risk assessment outcomes and audit findings on a regular basis in order to proactively address quality issues. - Automation in quality operations to ensure sustainable compliance and all-time audit readiness.	- Disposal of waste in a responsible manner. - Complying with applicable regulations for waste generation and disposal. - More emphasis on reduction of waste generation. - Adoption of eco-friendly waste disposal practices, i.e., co-processing.	- Generation of solar power at manufacturing locations. - Improving energy efficiency / operational efficiency of energy consuming equipment to reduce energy consumption. - Increase in utilisation of biofuel / hybrid fuel to minimise the dependency on conventional fuel i.e. coal/diesel etc. - Increase in procurement of solar-wind hybrid power.

Indicator	Material Issue 1	Material Issue 2	Material Issue 3
Target	No incident of non-compliance with respect to quality standards and regulations.	Increase waste disposal via co-processing up to 40% for India operations.	- Carbon Neutrality (Scope 1 and 2 emissions). - Reduction in GHG intensity by 45%.
Target Year	2024	2026	- Carbon neutrality for scope 1 and 2 emissions by 2035. - Reduction in GHG intensity by 2030.
Progress	100% compliance with all quality norms and regulations.	33% waste disposed of through co-processing. - Manufacturing sites of the formulation business achieved Zero Waste to Landfill stature and third-party verification is in progress.	58% reduction in GHG intensity as compared to baseline year of FY 2021-22. 39% renewable energy utilised, as compared to 32% in the previous reporting year.
Executive Compensation Linked	The Company's Head of Quality is the nodal authority for all matters related to product quality and compliance. Performance on the Company's set targets is included in the compensation plan.	All employees and business unit heads have key reporting areas tied to the Company's goals and objectives. Performance on the same form a part of the overall compensation plan.	All employees and business unit heads have key reporting areas tied to the Company's goals and objectives. Performance on the same form a part of the overall compensation plan.



Material Issues for External Stakeholders

Indicator	Material Issue 1	Material Issue 2
Material Issue	Product Quality and Safety	Climate Change
Cause of the Impact	Operations and Products/Services	Operations and Supply Chain
External Stakeholders Impacted	Society and Consumers/End Users	Operations, Environment, Society and External Employees
Topic Relevance	As a pharmaceutical Company, contributing positively to human health and enhancing the quality of life of all patients forms the foundation of the Company's business model. The Company is committed to upholding the highest standards of quality and ensuring compliance with all regulations. Non-compliance can result in a detrimental impact on human health. Failure to provide high quality and safe medicines can disrupt the supply of life saving medications and cessation of product approvals from concerned sites.	Fossil fuel related GHG emissions generated from the Company's operations adversely impact the environment and further contribute to global warming. Inability to address these impacts can result in an increase in temperature, leading to wider disparities such as sea-level rise, coral bleaching, climate related migration and social inequalities. This could cause operational and supply chain-related disruptions. With an enhanced focus on corporate sustainability, lack of targeted management of GHG emissions can expose the Company to regulatory repercussions, loss of social license to operate and misalignment with customer requirements. The Company makes focused efforts for increased energy efficiency and a reduction in emissions. Focused investments are made to increase the use of renewable energy and clean fuel and establish environment friendly technologies.
Type of Impact	Positive and Negative	Positive and Negative
Output Metric	100% compliance with product quality norms and regulations	Avoided CO ₂ emissions
Impact Valuation	Delivery of high quality and safe healthcare services	Improved air quality from combustion of fuel
Impact Metric	Number of Product Recalls	Social Cost of Carbon



Materiality Issues: Description and Impact

Sl. No.	Material Issue Identified	Risk or Opportunity (R/O)	Rationale for Identifying the Risk/ Opportunity	In Case of Risk, Approach to Adapt or Mitigate	KPI /Target	Financial Implications	SDG Impact
01	Climate Change (GHG Emissions)	Risk	- Climate changes, especially the extreme weather events and rising global temperatures caused by Green House Gas (GHG) emissions and failure to adapt and mitigate such changes are among the major risks being faced by the world over, and they also pose a major risk to the sustainability of businesses across the globe. - Climate adaptation and resilience are important in building a future-ready and sustainable organisation. They can also help reduce operational costs and drive greater efficiencies for the business.	- Generation of solar power at manufacturing locations. - Improving energy efficiency / operational efficiency of energy-consuming equipment to reduce energy consumption. - Increase in biofuel / hybrid fuel utilisation to minimise the dependency on conventional fuel i.e., coal/diesel etc. - Plans to procure and use solar-wind hybrid power in FY24.	- Reduction in GHG intensity by 45% till FY2030. - Increase RE quotient in total energy portfolio by using solar energy generation/ purchase, use of Biomass fuel.	Negative	 
02	Waste Management	Risk	- Inefficient waste management is a risk to a business because of the hazard it could pose to the relevant stakeholders. - Generation of increasing waste also impacts the environment, and its management becomes a challenge. - Failure to comply with waste management and disposal regulation would result regulatory actions, which, in turn, would adversely impact the business and brand image.	- Disposal of waste in a responsible manner. - Complying with applicable regulations for waste generation and disposal. - More emphasis on reduction of waste generation.	100% Adherence to legal compliances for waste disposal. - Increase (%) in disposal of waste by eco-friendly options i.e., Coprocessing.	Negative	 

Sl. No.	Material Issue Identified	Risk or Opportunity (R/O)	Rationale for Identifying the Risk/ Opportunity	In Case of Risk, Approach to Adapt or Mitigate	KPI /Target	Financial Implications	SDG Impact
03	Water Management	Risk	- Water is a shared resource, making it important for businesses to use it responsibly. Ensuring responsible consumption is key to socially sustainable business practices. - Applicable regulations for the reuse and recycling of treated water are stringent.	- Adopting a Zero Liquid Discharge (ZLD) approach to recycle, reuse water resources, and reduce fresh water intake. - Use of water efficient technologies. - Sensitising internal and external stakeholders to reduce water consumption.	- Adherence to legal compliances for water consumption, treatment, and discharge. - Adoption of zero liquid discharge practices. - Increase in the reuse of water for non-critical applications. % reduction in water intensity.	Negative	
04	Corporate Governance and Ethics	Risk	- Zydus is a global life sciences company that engages with many stakeholders. - The Company strongly believes that a breach of ethics or integrity can deteriorate the company's goodwill resulting in loss of reputation.	- Adopting a zero-tolerance policy for breach of ethics and integrity. - Adopting Code of Business Ethics and Conduct which is applicable to the Directors and employees of the Company. - The Code encourages honesty, trust, accountability, and transparency. - All new joiners are oriented on the Code of Business Ethics and Conduct Code and encouraged to adhere to it in spirit and deed. - Annual refresher training on the code of conduct for all employees.	- Number of reported incidents on violation of governance and ethics practices/ code of conduct. % of employees trained in corporate governance and ethics.	Negative	 

Sl. No.	Material Issue Identified	Risk or Opportunity (R/O)	Rationale for Identifying the Risk/ Opportunity	In Case of Risk, Approach to Adapt or Mitigate	KPI /Target	Financial Implications	SDG Impact
05	Human Capital and Welfare	Opportunity	Employee retention is critical to any organisation because skill-based and knowledgeable human capital is an asset and is required to achieve the long-term sustainability and growth of the organisation.		1. % employee retention rate. 2. % Turnover rate for permanent employees and workers.	Positive	
06	Community Engagement	Opportunity	Community engagement helps organisations make meaningful interventions to bring significant benefits to large sections of society, which aids the sustainable growth of the business.		1. Number of community engagement programmes. 2. Increase in the number of beneficiaries from community programmes.	Positive	 
07	Anti-Bribery and Corruption	Risk	Operations in multiple locations globally with diversified manpower may pose challenges with respect to resorting to corrupt practices, leading to financial loss.	a. Adopting a comprehensive Code of Business Ethics and Conduct policy which applies to the Directors and employees of the Company. b. Creating an organisation-wide awareness of anti-bribery and anti-corruption policy and the consequences of its violation.	1. Number of reported incidents of violation of anti-bribery and corruption. 2. %of employees completed awareness sessions on anti-bribery and corruption. 3. Target is zero incident on anti-bribery and corruption.	Negative	

Sl. No.	Material Issue Identified	Risk or Opportunity (R/O)	Rationale for Identifying the Risk/ Opportunity	In Case of Risk, Approach to Adapt or Mitigate	KPI /Target	Financial Implications	SDG Impact
08	R&D and Innovation	Risk	- Access control and the archival and retrieval of R&D data are critical since any leakage of such data can lead to substantial loss of future opportunities. - Tenure of scientific pool/knowledge transfer is critical, especially when working on complex dosage forms/ technologies.	- Digital storage of project-specific information with clearly defined access control. - A dedicated documentation cell manages and supervises the issuance of lab notebooks and their physical archival. - Implementation of Good Laboratory Practices (GLP) documentation wherever required. - Continued association with the leadership team -. Over 70% of the senior leadership team at technology centres have been associated with Zydus for over a decade.	% of employee retention in R&D functions. - Number of innovative products.	Negative	
09	Responsible Marketing, Selling Practices and Product Labelling	Risk	- Regulatory authorities have a Zero-tolerance policy against unethical marketing/promotion activities and there are stringent regulations to be abided by the company. - Any non-compliance with such regulations can pose penal actions by such authorities and loss of goodwill for the organisation.	Adopting a policy for ethical marketing, advertising, and sales practices. The policy covers/contains the following: - Providing accurate and balanced information about the company's products and services to its customers. - Provision to ensure ethical interactions with customers and healthcare professionals.	- Number of complaints reported on marketing and selling practices. % adherence to regulatory requirements for display of product information.	Negative	

Sl. No.	Material Issue Identified	Risk or Opportunity (R/O)	Rationale for Identifying the Risk/ Opportunity	In Case of Risk, Approach to Adapt or Mitigate	KPI /Target	Financial Implications	SDG Impact
10	Sustainable Supply Chain	Risk	- Supply chain partners, spread across various geographies of the globe, are responsible for ensuring on-time delivery of desired quality input materials, products, services, and capital goods that are critical to the operations and important for business continuity. - Any threat to the sustainability of operations of supply chain partners could potentially disrupt the company's operations.	- Thorough evaluation process before onboarding any critical vendor. - Mandatory acceptance of the Supplier code of conduct by the vendor. - Annual online vendor assessment based on ESG parameters. - Creating multiple supplier bases for critical products and services to maintain business continuity. - Implementing a robust system to check all statutory compliances by the vendor. - Ongoing efforts to create awareness among vendors regarding ESG parameters.	- Number of suppliers assessed on ESG framework. - Number of sessions conducted on ESG for supply chain partners.	Negative	
11	Product Quality and Safety	Risk	- Failure to maintain quality standards and comply with regulations leads to regulatory actions which in turn, adversely impact the business. - It results in the suspension of the supply of products and cessation of new product approvals from the concerned sites.	- Establishing a robust quality management system that ensures the drug product quality, safety, and sustainable supply. - Implement Quality Risk Assessment Program to ensure regulatory and data integrity compliance. - Implementation of industry learning (regulatory learning) to avoid the recurrence of quality issues. - Review of processes/product performance, key quality indicators, risk assessment outcomes, and audit findings regularly to proactively address quality issues. - Automation in quality operations to ensure sustainable compliance and all-time audit readiness.	- Number of product recalls due to quality defects. - Number of complaints on product quality. 100% compliance with quality norms and standards.	Negative	 

Sl. No.	Material Issue Identified	Risk or Opportunity (R/O)	Rationale for Identifying the Risk/ Opportunity	In Case of Risk, Approach to Adapt or Mitigate	KPI /Target	Financial Implications	SDG Impact
12	Employee health and safety	Risk as well as Opportunity	- Employees' physical and mental health problems can have major socio-economic impact on the organisation. - Also, employees are the core assets of the company. Their safety and well-being enhance their productivity, which aids in the improvement of the financial health of the company.	- Zydus Wellbeing covers a gamut of initiatives, from annual health checkups to subsidized treatment for employees and their families at Zydus Hospitals. 24X7 medical assistance with ambulance services and emergency first aid is available at all manufacturing sites. - Offering medical insurance policy for on-roll employees and workers. - Extending the medical insurance policy to parents of the employees. - Employees can also avail added sum assured through top-up. - Zydus Cares, a special initiative for pregnant women, helps them right through their pregnancy with a buddy being assigned to them for all assistance. - Under Zydus Cares, an employee can also avail 05 days of paternity leave to experience the joy of fatherhood. - Zydus Clubs provides opportunities for employees to come together and delve into their passions and hobbies like poetry, singing, photography, sports and fitness, dancing etc. This helps them strike the right work-life balance. - Zydus "Khel Ka Mahasangram" is held throughout the year and helps employees participate in various sports, including cyclothons. - All human rights, safety, health and hygiene protocols are strictly adhered to.	- Number LTI for employees. % of employees covered under wellbeing (Accidental Insurance, Health insurance etc.) programmes. % of employees undergone annual health checkup. - Number of employees eligible for parental leaves.	Positive and Negative	

Risk & Crisis Management



At Zydus, robust risk management is essential for navigating complex environments and achieving sustainable growth. The Company's risk management framework is designed to identify, monitor, and mitigate strategic, operational, financial, and compliance risks. This framework promotes a consistent and collaborative approach to risk identification, prioritisation, response, and monitoring, while also providing reports to the Audit Committee, Risk Management Committee, and the Board of Directors for informed decision-making and risk mitigation actions. For more details, please refer to the Risk Management Policy at the following

link: <https://www.zyduslife.com/public/pdf/Companypolicy/Risk-Management-Policy.pdf>

Risk Governance

To ensure consistency in risk response and management, the Company adopts a cross-functional collaborative approach that spans across departments and business units. The overall responsibility for risk governance rests with the independent Risk Management Committee (RMC), comprising members of the Board and operating under the guidance of the Company's Risk Management Policy. The RMC oversees the implementation of this policy by ensuring that robust systems and processes are in place to dynamically track, assess, and manage business risks.

At the operational level, Business Unit Heads or Presidents are accountable for managing and coordinating risk-related activities within their respective domains. Their responsibilities include facilitating the identification, assessment, prioritisation, and evaluation of risks relevant to their functions, and submitting periodic updates to the Chief Risk Officer (CRO).

The Risk management and compliance oversight at the Company are carried out by a cross-functional team comprising members from various departments. This dedicated team is responsible for identifying, managing, and mitigating the overall risks faced by the organisation. Each member represents specific risk areas and undertakes the necessary measures to address and reduce associated risks. The team regularly monitors changes in risk susceptibility and implements adjustments aligned with the Company's risk tolerance levels.

Detailed findings and mitigation measures related to risk management are shared with the central team, which is responsible for reporting to the Risk Management Committee of the Board of Directors. Risks are reviewed on a regular basis by individual risk owners and the risk management team to ensure the effective execution of risk management strategies and controls.

The internal audit system forms the third line of risk oversight, tasked with reinforcing internal controls and evaluating the effectiveness of policies, systems, and processes. Internal audit teams work in close collaboration with individual functions, and their findings are regularly reviewed by the Board-level Audit Committee, which recommends further enhancements to strengthen the internal control environment.

Risk Management Process

Risk Review, Exposure and Audit

The Company has established a robust and structured methodology for identifying and assessing risks across its business units and functional areas. This methodology evaluates risks based on their potential impact, likelihood of occurrence, and the velocity at which they may materialise, considering existing internal controls and prevailing external conditions.

To determine the severity of risks, the Company applies a prioritisation framework encompassing financial, reputational, regulatory, and health & safety dimensions, each aligned with defined materiality thresholds. This ensures a consistent and objective approach to risk evaluation across the organisation.

The Company periodically reviews and revises its risk appetite to ensure alignment with strategic objectives. These appetite levels guide decision-making across business operations, compliance, sustainability, and stakeholder engagement. A low-risk appetite is maintained for regulatory compliance, cybersecurity, and environmental/social impact, given their potential to result in reputational and legal consequences.

In addition to managing current exposures, the Internal Audit team drives the Enterprise Risk Management (ERM) program and engages with business and functional leaders to monitor internal and external developments, identify emerging risks with potential mid- to long-term implications, and define appropriate mitigation strategies.

The Company's materiality assessment process further strengthens its risk governance by integrating stakeholder perspectives on issues critical to the business. This approach ensures that external viewpoints are considered during risk register reviews and informs response strategies to material topics that may influence the Company's ability to preserve, create, or erode enterprise value. Any deviations identified through this process are addressed and incorporated into the ERM framework to maintain strategic alignment.

Based on management's review and deliberations during Risk Management Committee (RMC) meetings, the Company has identified key risks along with their potential impacts and corresponding mitigation actions.

The description of two Company-specific critical risk, potential impact and mitigation action are as follows:

Sr. No.	Risk Area	Description	Impact	Mitigation Actions
1	Rise of competition, pricing pressures and government control on prices	• Presence of a large number of players in the generic space results in increased competition which in turn, brings the prices down • Entry of a new competitor/s in existing products and markets results in increased competition leading to pricing pressure and impede the ability to increase market share • In some countries, Government regulates prices of medicines and reduces them periodically to make them affordable to patients	The convergence of these factors contributes to intensified market competition, which in turn may lead to downward pressure on pricing and result in increased pricing challenges for the Company.	• Expand the volume of existing portfolio and launch of new products • Move up the product value chain and launch complex products which have significant entry barriers and in turn, limit new competition • Continued focus on brand building in the branded markets • Implementation of various cost optimisation initiatives across the value chain
2	Risk related to global economic and political environment	Frequent political changes including civil unrest and war like situation in different geographies lead to significant uncertainties in Company's operations in such regions	These conditions create uncertainty around the Company's operations in certain geographies, potentially resulting in reduced profitability, restricted market access, and rising compliance-related costs.	• Continued evaluation of political and economic scenarios across the globe to cap the exposure to affected regions • Secure receivables through letter of credit or advance payments

For more details regarding the risk, please refer to Page 157 and 236 of Integrated Annual Report 24-25 at the following link: <https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf>

The Company addresses newly identified risks and undertakes a review of existing risks along with risk appetite at least twice a year, or more frequently when circumstances warrant as per the following process:

Risk Identification

Zydus Lifesciences Limited follows a structured approach to risk identification, wherein functional heads are responsible for recognising internal and external events that may impact the Company's operations. These risks are systematically recorded in a centralised risk register, which includes detailed descriptions, root causes, and proposed mitigation strategies. This process ensures comprehensive visibility of potential threats across the organisation.

Risk Assessment and Prioritisation

Once risks are identified, they are evaluated by senior management using both quantitative and qualitative methods. The Risk assessment involves profiling and prioritising various risks by considering the likelihood and impact of risk events at the enterprise, division, and unit levels. Likelihood is determined based on past incidents, Company experiences, and trend analysis, while impact is evaluated in both financial and non-financial terms, such as reputation. Risks are classified as "High," "Medium," or "Low" based on their likelihood and impact. High-risk areas require specific mitigation strategies, whereas Medium and Low risks are to be regularly monitored. Rating of risks is undertaken as per comprehensive guidelines formulated by the Company's Risk Management Committee (RMC).



Risk Response

For each prioritised risk, the respective function heads formulate mitigation strategies supported by clear action plans and defined timelines. These plans are presented to senior management for review and approval. Depending on the nature of the risk, the Company may choose to reduce, accept, share, transfer, or avoid the exposure, based on a thorough analysis of the underlying circumstances.

Risk Reporting

The Enterprise Risk Management (ERM) team, in collaboration with risk coordinators and functional heads, conducts regular reviews of all documented risks. Key risks are periodically reported to senior management to ensure informed decision-making and timely intervention where necessary.

Risk Monitoring

The Company has implemented a periodic review mechanism to monitor the status of identified risks and the effectiveness of their mitigation plans. The Risk Management Committee (RMC) evaluates progress on action items for key risks in coordination with risk owners and functional leads. This ongoing oversight ensures that risk responses remain relevant and aligned with the Company's strategic objectives.

Risk Evaluation/Audit

The enterprise risk evaluation and validation process is carried out at least thrice a year by the Company's independent and qualified internal audit team. The Company's risk management system has been audited by external auditors (>10 audits during the reporting period), who perform process audits of critical areas identified during the annual audit plan exercise.

Risk Culture

The Company recognises that risk culture encompasses the attitudes, values, and behaviors regarding risk management with the organisation. Focused efforts are undertaken foster an environment where risk awareness is integrated across the Company. A robust risk culture supports effective risk management and encourages employees to take proactive measures in identifying and mitigating risks. The Company conducts an annual Familiarization Programme for Independent Directors on areas of operations, functional overviews, business performance and opportunities, risk management framework, regulatory environment in which it operates (in line with the requirements of Regulation 25(7) of the Listing Regulations). The details of same are available on the Company's corporate website at: <https://www.zyduslife.com/public/pdf/Familiarization-Programme.pdf>



The Company believes that a robust risk management framework needs to be complimented with a sound risk culture. This has been achieved through targeted awareness building across the Company, incorporation of risk criteria in the development of its products and the use of financial incentives that incorporate risk metrics.

The Company reinforces a proactive risk culture through ongoing training initiatives, such as risk-specific courses available on the Company's learning portal, Zy-learn, covering essential topics like risk types and management strategies. Furthermore, the Company promotes a positive risk culture by linking financial incentives to the performance of its business heads in minimising and mitigating risks. This alignment ensures that all employees are engaged in the risk governance process and accountable for their roles in safeguarding the organisation's success.

Emerging Risks

At Zydus Lifesciences, the Company conducts risk evaluation and assessment based on likelihood, potential and existing impact, velocity of occurrence, and overall risk score. As part of this process, both existing and emerging risks are reviewed at least once a year, with additional reviews conducted based on the severity score.

The Company's risk evaluation and assessment approach is aligned with the frameworks of the Legal and Regulatory Requirements and the Enterprise Risk Management.

A holistic review and analysis are carried out by considering internal and external data sources, including industry trends, market research, stakeholder perspectives, technological developments, regulatory changes, and expert insights to identify and classify emerging risks.

This structured methodology enables the timely development and implementation of mitigation strategies to safeguard the organisation against potential risks.



Risk 1: Digital Disinformation and Stakeholder Distrust

Description: The dissemination of false or misleading information presents a critical risk by undermining public confidence in institutions, products, and services. In the pharmaceutical sector, such misinformation can fuel skepticism around drug safety and efficacy, potentially damaging the Company's reputation and weakening trust-based relationships with key stakeholders, including regulators, healthcare professionals, and consumers.

New Emerging: The rise of digital platforms and social media has accelerated the spread of misinformation, making it a newly emerging risk with increasing relevance for pharmaceutical companies. The speed and reach of false narratives have grown exponentially, creating new vulnerabilities for organisations like Zydus Lifesciences.

Significant Impact: For Zydus Lifesciences, misinformation can directly affect patient medication compliance, increase off-label drug use, and trigger regulatory scrutiny. It may result in legal exposure, revenue loss, reputational damage, and reduced market valuation. Employee morale and talent retention may also suffer, while investor confidence and research collaborations could be compromised.

Long-Term Impact: Misinformation can have enduring consequences, including persistent damage to public perception, long-term decline in product trust, and sustained challenges in stakeholder engagement, regulatory compliance, and innovation. These effects may span years and require continuous effort to rebuild credibility.

Specific to the organisation: False claims targeting Zydus products can lead to skepticism about drug safety and efficacy, directly impacting sales and stakeholder relationships. The Company may face lawsuits, regulatory penalties, and increased costs for public relations and crisis management. These consequences are specific to Zydus' product portfolio, brand reputation, and strategic partnerships.

External Risk: This risk originates outside the organisation, driven by uncontrolled narratives on social media, third-party content creators, and evolving consumer behavior. The Company has limited control over the sources and spread of misinformation, making it a complex external threat.

Public Visibility: Given the viral nature of misinformation and its potential to attract widespread attention, this risk is highly visible and can quickly escalate into a public relations crisis. It affects consumer trust, media narratives, and stakeholder confidence, making it a reputational priority for the Company.

Mitigation Actions:

Strategic and Pre-emptive Information Dissemination: Maintain regular, transparent, and fact-based communication to effectively counter misinformation.

Stakeholder Alignment and Collaboration: Collaborate with healthcare professionals, regulatory authorities, and patient advocacy groups to foster a trusted network.

Public Educational Outreach Program: Invest in educational initiatives to raise awareness about the scientific integrity and safety of products.

Crisis Response and Management: Implement a robust crisis response framework to swiftly address and neutralize misinformation.

Continuous Oversight and Intervention: Establish systems to actively monitor misinformation and promptly correct inaccurate narratives.

Risk Category:

Economic

Other- Reputational

Risk 2: Vulnerability to Rapid Technological Advancements

Description: The rapid pace of technological advancement in pharmaceuticals and biotechnology poses a risk of obsolescence for existing platforms and research infrastructure. As innovation cycles shorten, Zydus Lifesciences may face challenges in keeping pace with emerging technologies, potentially leading to delays in product development, increased costs, and reduced competitiveness. This risk is heightened by evolving market expectations, regulatory demands, and the need for continuous investment in agile and scalable solutions.

New Emerging: The increasing reliance on advanced biotechnology platforms and high-investment R&D in New Chemical Entities (NCEs) introduces a newly emerging risk. Rapid technological evolution and shifting global healthcare demands are creating new vulnerabilities in drug discovery and development.

Significant Impact: With over 1,500 scientists and an annual R&D budget of 7–8% of revenues, the Company faces substantial financial exposure. Failures in clinical trials, regulatory setbacks, or slow adaptation to emerging technologies could impact profitability, market entry, and investor confidence.

Long-Term Impact: This risk carries long-term implications for Zydus Lifesciences, including delays in product development, increased R&D costs, regulatory hurdles, and reduced competitiveness. These challenges may affect the Company's ability to deliver innovative therapies aligned with future patient needs and market expectations.

Specific to the organisation: Zydus' strategic focus on NCEs in areas such as oncology, cardio-metabolic diseases, and infectious conditions heightens its exposure to innovation-related risks. The Zydus Research Centre (ZRC) and other R&D hubs are directly impacted by the pace of biotech evolution, which may outstrip current infrastructure and capabilities, leading to delays and increased operational costs.

External Risk: The risk is externally driven by evolving healthcare trends, global competition, regulatory dynamics, and technological advancements. Competitors adopting newer platforms faster may gain market advantage, while shifting patient expectations and regulatory landscapes add further complexity.

Public Visibility: As a leading pharmaceutical innovator, Zydus' R&D outcomes are subject to public and regulatory scrutiny. Delays or failures in high-profile research initiatives can attract media attention, influence stakeholder perception, and affect the Company's reputation in global markets.

Mitigating action:

Implementing Flexible and Future-Ready Infrastructure: To address the emerging risk of technological obsolescence, the Company continuously enhances its infrastructure by investing in agile platforms and scalable biotech solutions to ensure future readiness across the business units. This ensures adaptability to rapid advancements and evolving trends in biotechnology.

Leveraging Market Intelligence for Patient-Centric Innovation: The Company utilises advanced market intelligence tools to monitor global healthcare developments, shifting patient needs, and emerging competitors. This enables the Company to drive innovation that is both targeted and aligned with patient expectations.

Promoting Innovation Through Talent Upskilling: The Company implements continuous training and development initiatives for its research teams to strengthen scientific capabilities and ensure readiness to navigate complex innovation challenges.

Risk Category:

Technological

Risk 3: Sovereign Data Controls and Privacy Law Fragmentation

Description: Data Nationalism is an increasingly prevalent trend where governments are exercising greater authority over data produced within their territories. This includes implementing restrictions on cross-border data transfers or requiring specific conditions to be met before such transfers can occur. It is also reflected in the emergence of divergent privacy laws and regulations that differ from widely accepted international standards.

New Emerging: Data Nationalism is an emerging global trend wherein governments are increasingly asserting control over data generated within their jurisdictions. This includes restrictions on cross-border data transfers, mandatory data localisation, and the enforcement of fragmented privacy laws that diverge from globally accepted standards. These developments are gaining traction across several geographies where Zydus Lifesciences operates or intends to expand.

Long-Term Impact: The implications of data nationalism are expected to be enduring, with regulatory landscapes continuing to evolve over the coming years. Long-term consequences include structural changes to data infrastructure, sustained compliance obligations, and potential limitations on global collaboration in research and innovation.

Significant Impact: This trend poses a material risk to Zydus' operational efficiency, research capabilities, and compliance posture. It can lead to increased costs, delayed product development, and reduced agility in responding to market needs. The compounded effect of these challenges may impact the Company's competitiveness and strategic growth.

External Risk: The risk is externally driven by government policies, international data governance frameworks, and geopolitical dynamics. Zydus has limited control over the regulatory decisions of sovereign states, making it imperative to proactively adapt to changing legal environments.

Specific Impact on the organisation: For Zydus, data localisation mandates may require the establishment of region-specific data centers, increasing infrastructure and operational costs. Restrictions on transferring clinical trial data across borders could hinder collaboration with global research partners and delay regulatory approvals. Fragmented privacy laws may lead to inconsistent data governance across business units, complicating analytics and strategic planning. Non-compliance with local data protection laws could expose the Company to legal penalties and reputational damage, particularly in jurisdictions with strict enforcement.

Public: This risk is publicly visible and subject to scrutiny from regulators, partners, and stakeholders. It reflects broader concerns around data sovereignty, digital ethics, and global compliance, and may influence public perception of the Company's commitment to responsible data management.

Mitigating Actions:

Data Localisation Compliance: Implementation of a data localisation strategy to meet jurisdictional storage requirements while minimising disruption to operations.

Unified Data Management Framework: Adoption of standardised data management protocols tailored to align with diverse regional regulatory mandates.

Regulatory Engagement: Ongoing collaboration with regulatory authorities and industry forums to remain informed of evolving data governance norms and to advocate for harmonised global standards.

Specialised Legal and Compliance Capabilities: Deployment of robust legal and regulatory expertise to effectively navigate the complexities of data sovereignty and privacy law fragmentation.

Enterprise-Wide Data Governance: Establishment of strong data governance and stewardship mechanisms to ensure organisational accountability and regulatory compliance.

Adaptive IT Infrastructure: Development of a flexible and scalable IT architecture capable of adjusting to shifting regulatory landscapes and supporting compliant data operations.

Privacy Risk Evaluation: Execution of regular Privacy Impact Assessments (PIAs) to proactively identify and mitigate risks associated with data processing activities.

UN Global Compact Membership

As a leading pharmaceutical organisation, the Company acknowledges and supports the Ten Principles of the United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative. These principles outline the Company's commitment in four key areas of human rights, labour, environment, and anti-corruption issues, serving as a foundation for responsible business conduct across the Company's operations.

Area	Principle	Statement	ESG Report Chapter	Page No.	UN SDG Alignment
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	Human Rights, Labour Practices	101-102, 95-100	
	Principle 2	Businesses should make sure that they are not complicit in human rights abuses	Human Rights, Labour Practices	101-102, 95-100	
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human Rights, Labour Practices	101-102, 95-100	
	Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour	Human Rights, Labour Practices	101-102, 95-100	
	Principle 5	Businesses should uphold the effective abolition of child labour	Human Rights, Labour Practices	101-102, 95-100	
	Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	Human Rights, Labour Practices	101-102, 95-100	
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges	Water Management, Climate strategy & Governance, Biodiversity	65-67, 71-72, 82	

Area	Principle	Statement	ESG Report Chapter	Page No.	UN SDG Alignment
	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	Climate Strategy & Governance, Biodiversity, ESG Governance Structure	69, 81, 87-88, 11	
	Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	Energy Management, Waste and Pollutants, Water Management, Product Stewardship	54, 60, 62, 89-90	
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	Business Ethics	32	

Codes of conduct

In the ever-evolving pharmaceutical industry landscape, the Company believes that business ethics stand as a pillar of trust and integrity. By upholding stringent ethical standards, the Company aims to ensure the safety and well-being of patients while promoting a culture of transparency and accountability.

The Company's Business Conduct Policy is a cornerstone document, representing its commitment to operate at the highest ethical level. The Policy is applicable to all employees and covers core aspects including corruption and bribery, discrimination, data protection and privacy, conflict of interest, whistleblowing, intellectual property, human rights and responsible corporate citizenship. All employees are mandated to undergo annual training on the policy annually.



The Company is committed to providing for robust systems and procedures to support effective implementation of its Code of Conduct Policy. This is further supported with targeted and adequate checks to prevent any circumventions or violations. These mechanisms are described below:

- Defined roles and responsibilities:** Ensures that all employees are aware of their duty to uphold the highest ethical standards. This approach eliminates ambiguity, facilitates prompt decision-making, and creates a transparent framework for addressing and escalating concerns.
- Linking Code of Conduct Policy compliance with employee remuneration, performance appraisal:** Doing so reinforces the importance of adhering to the Code of Conduct Policy by linking ethical behaviour to tangible rewards and evaluations. Employees are thus encouraged to prioritise compliance and align their personal goals with the Company's values. Failure to complete Company's annual training get escalated to the reporting Manager and BU HR Head for appropriate actions.
- Disciplinary action and Reporting Channels:** By instituting disciplinary actions for violations of the Company's Code of Conduct Policy, it is ensured that employees understand the consequences of misconduct, which helps maintain a fair and accountable work environment while upholding the integrity of the organisation's values. To seek further information on the policy, or report any violation or grievances, the Company provides contact details of focal points that are responsible for the Code of Conduct Policy in different geographies.

Position on Bribery and Corruption

The Company maintains a zero-tolerance approach to bribery and corruption, underscoring its commitment to ethical business practices. The Company's comprehensive Code of Conduct codifies this stance, which serves as a guiding framework for all employees and stakeholders. By strictly prohibiting any form of unethical behavior, including bribery and corruption, the Company ensure that its operations uphold the highest standards of integrity and transparency. The Company's commitment to these principles safeguards its reputation while also building trust among its partners, customers, and the communities it serves. By definition, corruption includes:

Bribes (including kickbacks): It is prohibited to directly or through a Third Party, promise, offer, make, authorize, solicit, or accept any financial or other advantage, to or from anyone to obtain, retain, influence business or secure an improper advantage in the conduct of business. This also includes rewarding a behaviour of someone to obtain or retain a business advantage.

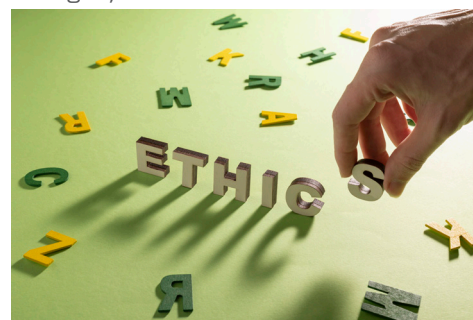
Political contributions: All political contributions made by the Company will be lawful. Contributions which by their scale or affiliation, might be seen as excessive, inappropriate, or could be misconstrued as Bribery are prohibited. All such contributions made on behalf of the Company shall be recorded transparently and accurately in books and records in accordance with the accounting practices. Further details of the Company's contributions can be found in the subsequent section 'Contributions and other Spending'.

Charitable contributions

The Company believes in giving back to the community through legal and ethical charitable donations. However, the Company also recognize the importance of maintaining transparency and accountability in its charitable giving. To ensure that its donations are aligned with its values and policies, the Company requires its Employees and Third Parties acting on its behalf to follow standard protocols, codes, and applicable restrictions. Further details on the Company's charitable contributions can be found in Annexure C of Page 185-187 of the Integrated Annual Report 2024-25.

Whistleblowing mechanism

- The Company has built a reputation for doing business with honesty and integrity and it has zero tolerance for any type of unethical behaviour or wrongdoing.
- The Company has in place a stringent vigil system to report unethical behaviour in order to promote professionalism, fairness, dignity and ethical behaviour in its employees.
- Pursuant to and in compliance with the provisions of sections 177(9) and (10) of the Act, rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014 and regulation 22 of the Listing Regulations, the Company has established a robust vigil mechanism and framed Whistle Blower Policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy and Insider Trading Regulations.
- The Whistle Blower Policy, which is applicable to all the stakeholders, is uploaded on Company's website and the weblink of the same is provided in a separate section of Corporate Governance Report on Page No. 226, which forms a part of this Integrated Annual Report.



Committee/Person for whistleblowing mechanism

- Pursuant to and in compliance with the provisions of regulation 18(3) read with clause 18 of Part C of Schedule II of the Listing Regulations, the Audit Committee reviews the functioning of the Vigil Mechanism / Whistle Blower Policy. The Audit Committee shall:
 - Make a detailed written record of the Protected Disclosure. The record will include name of the Stakeholder involved, office/ unit of the Company where the incident has occurred, documentary evidence or proof, if available, facts of the matter, whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof, whether any Protected Disclosure was raised previously against the same, the financial or any other loss which has been incurred / would have been incurred by the Company, findings of Designated Officer / Audit Committee, the recommendations of the Designated Officer / Audit Committee on disciplinary/ other action/(s).

- The Designated Officer / Audit Committee shall submit the report on non-financial matters to President-Group Human Resources and on financial matters to CFO within 15 working days of being nominated/ appointed.
- The Designated Officer / Audit Committee will discuss the matter with President-Group Human Resources/ CFO and,
- Depending upon the seriousness of the matter, Designated Officer/ Audit Committee may propose disciplinary action / counter measures. In case the President-Group Human Resources or the CFO thinks that the matter is too serious, then they can further place the matter before the Managing Director with recommendations. The Managing Director may decide the matter as he deems fit.

Reporting channel

- As per the Company's Whistle Blower policy, any Stakeholder can inform by email or in writing to President-Group Human Resources / CFO of the Company at whistleblower@zyduslife.com or send physical letter at the registered office of the Company.
- If initial enquiries by the President-Group Human Resources/ CFO indicate that the concern has no basis, or it is not a matter of investigation to be pursued under this Policy, it may be dismissed at this stage and the decision will be documented.
- This Policy shall not be used in place of the Company's grievance procedures or be a route for raising malicious allegations against any of the Stakeholders.
- Where initial enquiries indicate that further investigation is necessary, President-Group Human Resources/ CFO will take appropriate decision to appoint a Designated Officer for further enquiry of the matter or order further enquiry by the Audit Committee depending upon the seriousness of matter. In case of any complaint against the President-Group Human Resources or CFO, the complaint can be raised directly to the Chairman of the Audit Committee at ethics@zyduslife.com.

Anonymity

As per the Company's Whistleblower Policy, anonymous complaints will not be entertained.

Confidentiality

The Whistle Blower, the Subject of complaint, the Audit Committee members and everyone involved in the process shall maintain complete confidentiality/ secrecy of the complaint, not discuss the complaint in any informal/ social gatherings/ meetings, discuss the complaint only to the extent or with the persons required for the purpose of completing the process and investigations, not keep the complaint papers unattended anywhere at any time, and keep the electronic mails/ files relating to the complaint under password protection.

Protection to whistleblowers/Zero Retaliation

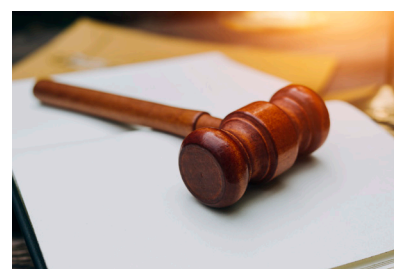
- The Company ensures that no unfair treatment is given to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under the Policy nor any kind of discrimination, harassment or victimisation is adopted against Whistle Blower.
- Also, complete protection is provided to Whistle Blower against any retaliation, threat, or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behaviour or obstruction from making further Protected Disclosure.

Training and awareness

All employees are required to undergo mandated training on Company's Whistle Blower policy which encompasses the multiple details and provisions of policy and Company's personnel information on the process of reporting ethical misconducts and promotes transparency and accountability within an organisation.

Investigation procedure

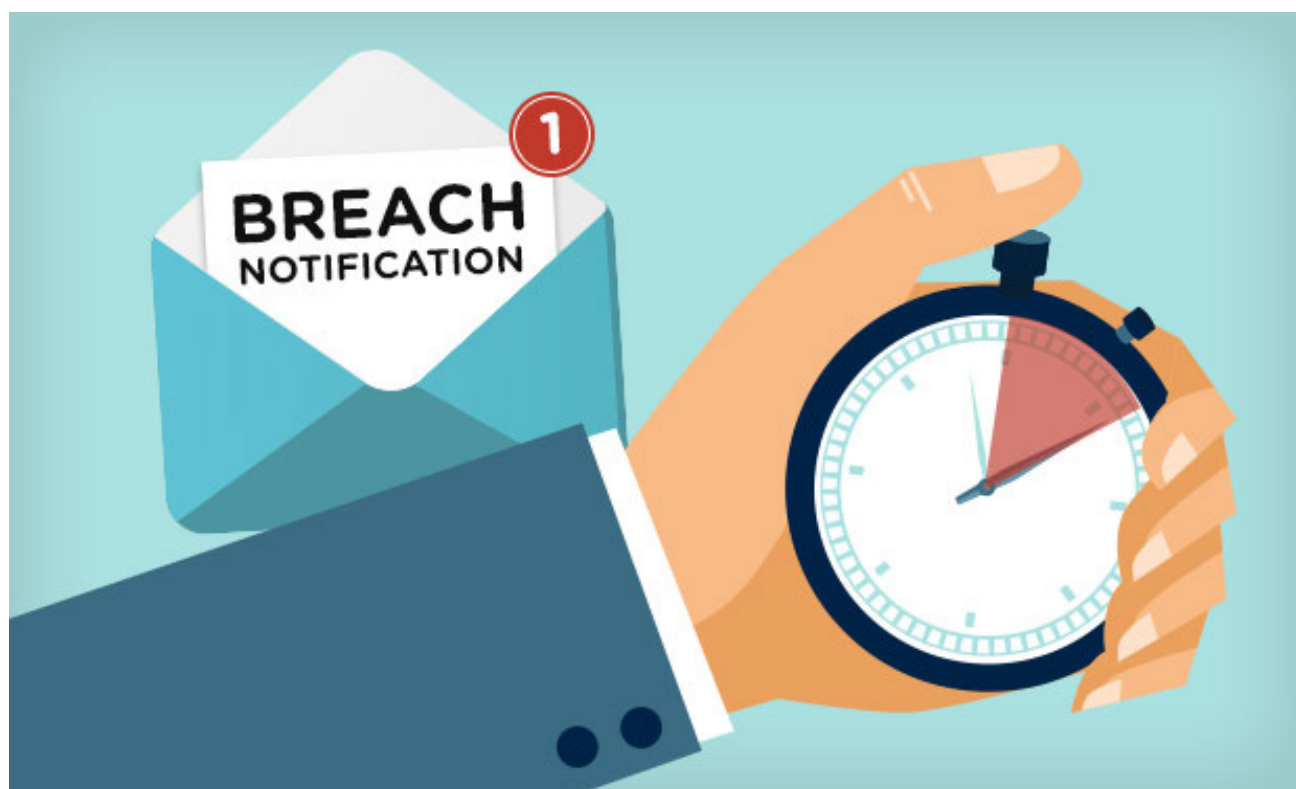
- All Protected Disclosures received under this Policy shall be promptly and impartially investigated.
- The investigation shall be conducted as a neutral fact-finding process, without any presumption of guilt.
- Upon receipt of a disclosure, the claim is assessed whether it qualifies as an unethical practice under this Policy and whether adequate information has been provided to support an investigation.



- In case of anonymous disclosures, the intent and credibility are reasonably established.
- Once accepted, the investigation shall proceed as follows:
 - ❖ The Subject may be informed of the allegations, and they are expected to cooperate fully. Any obstruction, misinformation, or intimidation will result in disciplinary action.
 - ❖ The identities of the Whistleblower, Subject, and any individuals assisting in the investigation shall remain confidential.
 - ❖ Evidence must not be tampered with, and witnesses must not be influenced or threatened.
 - ❖ A written report of the findings would be prepared accordingly.
 - ❖ The Whistleblower and Subject shall be informed of the outcome, subject to legal and confidentiality constraints.
- If the concerned Whistle Blower is not satisfied with the outcome of the investigation, then he/ she can make the Protected Disclosure directly to the Chairman of the Audit Committee at ethics@zyduslife.com. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure including where necessary with the help of investigators and determine appropriate action based on findings.
- No person was denied access to the chairman of the Audit Committee. No complaint was received under the whistle blower mechanism during the Financial Year ended on March 31, 2025.

Reporting on Breaches

Reporting Areas	Number of Breaches in 2024-25
Corruption or Bribery	0
Discrimination or Harassment	0
Customer Privacy Data	0
Conflicts of Interest	0
Money Laundering or Insider Training	0



Contributions and other Spending

The Company's contributions to trade/industry associations for FY 2024-25 are disclosed below:

Particulars	Contribution in INR FY 2024-25
Trade associations or tax-exempt groups (e.g. think tanks)	99,06,500

The Company did not make any contributions to political campaigns, political organisations, lobbyists or lobbying organisations and other tax-exempt groups.

Largest contributions/Spending

Issue or Topic	Corporate Position	Description of Position / Engagement	Total spend in FY 2024
Affordable/Accessible Healthcare	Support	Advocate for policies that promote affordable access to medicines, support local industry growth and protect intellectual property rights while balancing public health needs	91,18,800
Promote economic growth	Support	Advocate for policies that foster economic growth, encourage foreign investment, streamline regulatory processes and support sustainable development across India's industries	7,00,000

Other large expenditures

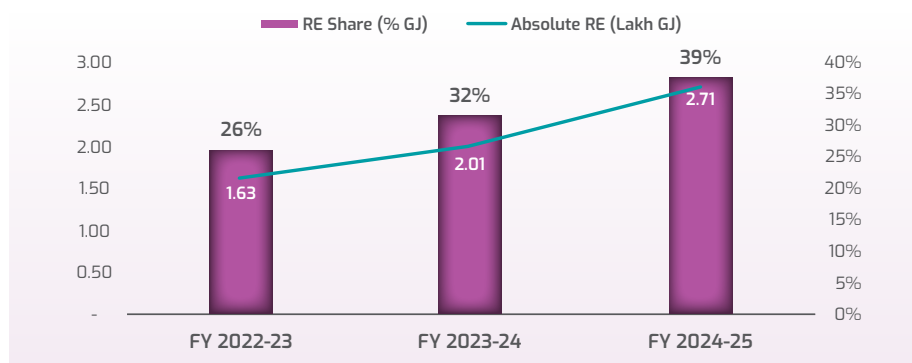
Name of organisation	Amount paid (INR)	Advocacy Topic
Indian Pharmaceutical Alliance	90,00,000	Advocate for policies that promote affordable access to medicines, support local industry growth and protect intellectual property rights while balancing public health needs
Federation of Indian Chambers of Commerce and Industry (FICCI)	7,00,000	Advocate for policies that foster economic growth, encourage foreign investment, streamline regulatory processes, and support sustainable development across India's industries
The Indian Drug Manufacturers Association	1,18,000	Advocate for the increased growth and competitiveness of Indian pharmaceutical manufacturing and ensuring balanced regulatory frameworks encouraging quality standards as well as industry innovation
Global Sustainability Alliance	88,500	Advocates for policy bridging, innovation and forge partnerships that enable transformative change in the global fight against climate change

Lobbying and Trade Associations - Climate Alignment

- ❖ The Company recognises engagement in public policy as a crucial dimension of its efforts to create an enabling environment to improve access to quality medicines and healthcare.
- ❖ As a highly regulated industry, the Company believes that public policy engagement, including making representations to relevant authorities, is an important and appropriate role for companies in open societies, if conducted in a legal and transparent manner.
- ❖ The Company believes that public policy engagement includes supporting policy positions that improve its ability to do business in a commercially and socially sustainable manner.
- ❖ The Company regularly interacts with governments, policymakers, and other stakeholders to advocate for policies that encourage innovation and promote efficient management of healthcare.
- ❖ The Company aims to demonstrate that all its interactions with political stakeholders are conducted appropriately, ethically and transparently.
- ❖ The Company acknowledges climate change as a critical global challenge and reiterates its commitment to actively addressing its impacts through strategic initiatives and advocacy efforts. The Company's climate change mitigation journey is aligned with Intended Nationally Determined Contributions (INDCs), Govt. of India, reinforcing its pledge to:
 - Achieve a **45% reduction in GHG intensity**.
 - Source **50% of its energy requirements from renewable energy** by 2030.

These commitments underscore the Company's long-term strategic vision of becoming **Net Carbon Neutral by 2035**.

- ❖ The Company has aligned its efforts with the recently released Renewable Energy Policy by Gujarat Energy Development Agency (GEDA), Govt. of Gujarat. Among its key provisions, the policy aims to achieve **50% target of RE capacity by 2030 and remove capacity restriction for setting up of RE projects with respect to the consumer's contracted demand**. The Company understands that such policy measures provide a significant boost to green and sustainable manufacturing, contribute towards achieving SDG 7 (Affordable and clean energy), and accelerate industry-wide climate change mitigation, particularly for industries like Zydus having major operations in the state of Gujarat.
- ❖ Industry networks and associations play a crucial role as catalysts for awareness, advocacy, and action on multiple dimensions of sustainability, by providing a common platform for industry representatives to share and exchange ideas and practices. Comprehending to this thought-process, the Company shares its perspective on climate-related issues through its engagement with the **Global Sustainability Alliance (GSA)** by the Times Group during FY2024-25.
- ❖ Driven by the strategic vision of its senior management and policy driven encouragement by the revised renewable energy policy, the Company has made substantial progress in its renewable energy quotient particularly in manufacturing operations in previous 03 years. The Company has achieved a **66% increase in absolute MWh of Renewable Energy** and improved the **Renewable Energy (RE) share in total energy consumption from 26% to 39% for the period of FY2022-23 to FY2024-25**.



- ❖ The Company advocates/supports policy bridging, innovations and forge partnerships that catalyse transformative climate actions. In similar lines with its ESG policy, the Company participates in the Global Sustainability Alliance (GSA) to promote the adoption of environmentally responsible (eco-friendly) practices aimed at enhancing resilience and reducing emissions. The lobbying and trade associations programmes are in alignment with all jurisdictions of Company operations.

Supply Chain Management

Zydus Lifesciences Limited recognises sustainable supply chain management as a strategic priority, essential to its global operations and complex network of upstream and downstream partners. The Company adopts a forward-looking approach that integrates environmental responsibility, ethical sourcing, and operational resilience. By leveraging advanced technologies and data-driven insights, Zydus enhances transparency, enables real-time monitoring, and optimises resource use across its supply chain. This commitment supports long-term sustainability goals while ensuring efficiency, compliance, and stakeholder trust.

Supplier Code of Conduct

Zydus Lifesciences Limited's supply chain strategy is anchored in ethical conduct, regulatory compliance, and sustainability. The Company's Supplier Code of Conduct outlines the minimum standards expected from all suppliers, covering key areas such as anti-corruption, labour rights, environmental stewardship (including climate change and biodiversity aspects), data privacy, and process safety. Adherence to this Code, and to Zydus' related policies and procedures, is mandatory for all existing and prospective suppliers, with written confirmation required. By embedding these principles into its procurement and sourcing practices, the Company strengthens transparency, reduces operational risks, and fosters trust among stakeholders, including consumers, regulators, and investors.



To promote social justice, economic growth, and a fair, equitable, and productive work environment, the Company upholds regulations related to freedom of association and collective bargaining. This commitment extends beyond its own operations to include its value chain partners, who are expected to adhere to the same standards of worker rights and ethical labour practices.

Zydus Lifesciences Limited is committed to biodiversity conservation as a key component of its environmental stewardship efforts. The Company focuses on minimising or eliminating environmental and climate-related impacts at their source through sustainable sourcing practices such as optimizing production, maintenance, and facility operations; substituting materials; and promoting conservation, recycling, and reuse.

Any activity with the potential to adversely affect human health or the environment is systematically assessed, monitored, and treated prior to the release of any substance. Furthermore, Zydus extends its no deforestation commitment to all value chain partners, ensuring that supply chain operations reflect the same standards of ecological protection and sustainable land use upheld within its own facilities.

Supplier ESG Programmes

At Zydus Lifesciences Limited, supply chain oversight is embedded within the Company's broader risk and governance framework, with responsibilities distributed across board-level committees and senior management.

Board-Level Oversight

- **Audit Committee & Risk Management Committee:** These two key board committees oversee supply chain-related risks and operational integrity. They receive regular reports on risk identification, prioritisation, and mitigation strategies, which include supply chain disruptions, vendor compliance, and logistics performance.
- **CSR & ESG Committee:** The Corporate Social Responsibility and ESG Committee reports to the board on material issues, targets, and progress toward supply chain ESG goals and the implementation of ESG strategy. Sustainable supply chain management, being a key material issue, is reviewed by this committee with respect to the ESG aspects of the Code of Conduct for Suppliers, which forms the basis for responsible supply chain practices.

Management Oversight

- **Executive Management:** At Zydus, a senior executive at the President level, along with other senior leaders, oversees the execution of supply chain management strategies that are aligned with corporate goals and regulatory expectations. Senior management reviews supplier programmes monthly and ensures that Zydus' purchasing practices are aligned with internal standards and the Supplier Code of Conduct to avoid potential conflicts with ESG requirements. ESG clauses are also incorporated into purchase agreements to sensitise suppliers to these expectations.
- **Functional Heads:** Leaders in procurement coordinate with manufacturing, logistics, and quality assurance to manage day-to-day operations. They report performance metrics and risks to senior leadership and relevant committees, ensuring adherence to the provisions of the Zydus Supplier Code of Conduct.

This layered governance ensures that Zydus Lifesciences maintains a resilient, compliant, and efficient supply chain across its pharmaceutical operations.

Key Supplier-related ESG programmes are as follows:

❖ Regular Assessments

Systematic evaluations of supply chain partners and inventory are conducted in accordance with organisational guidelines.

❖ Performance Evaluation

Vendor performance is assessed in a structured manner to guarantee adherence to Zydus Supplier Code of Conduct.

❖ Supplier Diversity

The Company actively cultivates diversified supplier base for critical products and services to bolster business continuity and mitigate risk.

❖ Annual Online Evaluations

Vendors undergo yearly assessments based on precise ESG criteria to ensure ongoing compliance.

❖ Commitment to ESG Standards

Each vendor is required to operate according to ESG standards delineated in the "Zydus Code of Conduct for Suppliers," providing a formal undertaking or agreement prior to commencing any business activity. This ensures that purchasing practices consistently align with the Supplier Code of Conduct, precluding any conflicts with ESG principles.

❖ Statutory Compliance Verification

A sustainable system is established to verify all statutory compliances by the vendors, safeguarding integrity and accountability.

❖ Vendor Audits

Rigorous reviews of both, new and existing vendors are initiated through periodic audits, in alignment with the Company's Quality Policy, Supplier Code of Conduct, internal quality standards, ESG criteria, and applicable regulatory mandates.

❖ Risk Management

The Central Procurement Committee is tasked with identifying and prioritising key risks, implementing effective mitigation strategies.

❖ Awareness and Education

The vendors are continuously educated and made aware about the Company's ESG journey, emphasising expectations for supply chain partners to meet ESG standards. These vendor awareness aspects include anti-bribery, fair trade practices, anti-discrimination, fair treatment, antitrust and competition, data privacy and protection, worker health and safety, resource conservation, climate protection, and waste and emissions management.

Zydus has instituted a Vendor Rating System to track and evaluate supplier compliance with key sustainability standards. As the Vendor Assessment and Rating System matures, suppliers that do not meet these standards



will be granted a grace period to make necessary improvements and align with the Company's values before further business engagement. This approach enables the Company to assess its risk appetite and ensure that sustainability efforts do not compromise business continuity, thereby maintaining a resilient and robust supply chain. Going forward, the Company intends to prioritise material sourcing from suppliers that demonstrate superior ESG performance in alignment with its defined requirements.

At Zydus, the Company provides focused training to employees and internal stakeholders involved in its Supplier ESG Programme. These sessions are designed to build awareness and capability across a broad spectrum of sustainability topics, including, but not limited to, climate change, renewable energy adoption, occupational health and safety, and human rights. This proactive approach ensures that the teams are well-equipped to uphold and promote responsible sourcing practices throughout the supply chain in alignment with Zydus Code of Conduct for Suppliers.

Supplier Screening

The supplier screening framework is designed to evaluate suppliers based on their relevance to the business, compliance with sustainability standards (Environment, Governance and Social topics), and adherence to the Code of Conduct. This screening process examines suppliers for exposure to potential risks, including those specific to countries, sectors, and commodities. Critical suppliers are identified as those posing a higher risk due to their substantial spend value and non-substitutability, ensuring that targeted risk management strategies are implemented effectively.

Parameter	Coverage in FY 2024-25
Number of Tier I suppliers	220
Total number of Significant Tier 1 Suppliers	123
% of total spend on Significant Tier 1 Suppliers	53%
Total number of Significant non-Tier 1 Suppliers	755
Total number of Significant Suppliers (Tier 1 and non-Tier 1)	878

Note:

- Tier 1 suppliers are direct providers delivering goods or services straight to Zydus, including suppliers of Active Pharmaceutical Ingredients (API), excipients, and primary packaging materials.
- Significant suppliers are those that represent a higher risk based on spend volume, identified through spend analysis, and those that are non-substitutable.

Supplier Assessment and Development

Zydus Lifesciences Limited maintains an exhaustive and extensive engagement process with its suppliers, beginning with virtual or desk-based assessments. These assessments are based on ESG questionnaires that suppliers are required to complete, covering key environmental, social, and governance aspects. The central purchase team and quality team coordinate with suppliers to conduct on-site assessments, followed by third-party audits for identified suppliers by the USFDA.

The ESG desk assessment framework is developed with reference to global standards and leading frameworks such as CDP, GRI, SASB, TCFD, and the UN SDGs, ensuring relevance and credibility. Both desk-based and on-site supplier assessments are conducted using methodologies aligned with recognised industry frameworks, including the Pharmaceutical Supply Chain Initiative (PSCI), USFDA, and BRSR guidelines.

These desk-based assessments focus on critical areas such as ethics, labour practices, health and safety, environmental impact, and management systems. During on-site visits, both quantitative and qualitative ESG data are collected with supporting evidence. A structured ESG questionnaire is used to identify gaps, assess compliance, and evaluate potential risks. A detailed monitoring and assessment process has been established to support supplier compliance with



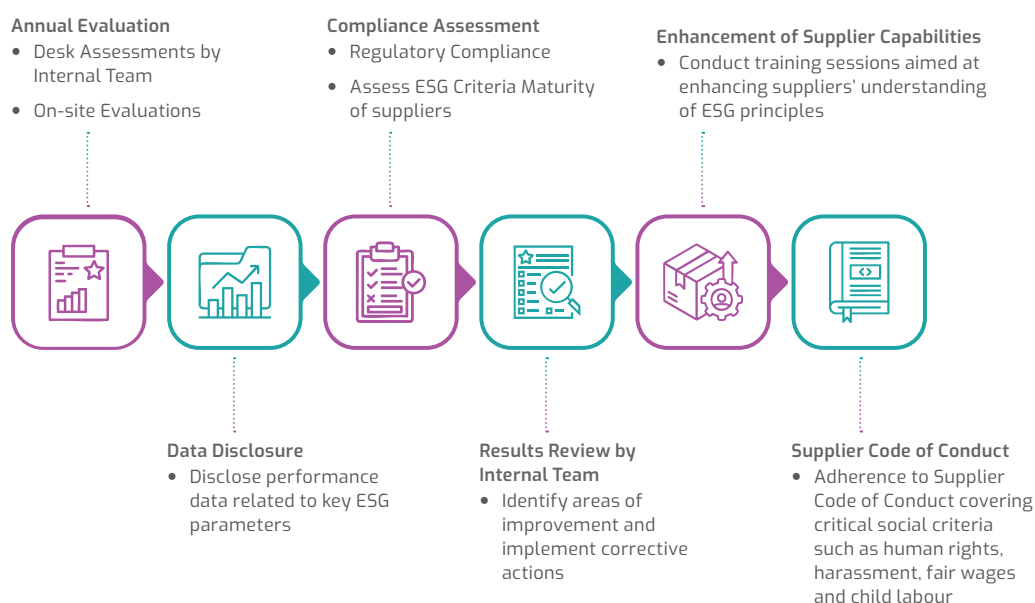
Company's policies, relevant laws and regulations. All critical suppliers are evaluated annually through a desk-based audit on their sustainability performance aligned with Zydus' sustainability mandate. To streamline this assessment process, Zydus is working to automate it using specialised software.

Moving forward, suppliers must meet or exceed a passing criteria to demonstrate compliance. Identified suppliers with a score of less than passing criteria will be provided remedial support. Non-compliant or at-risk suppliers are supported with the development of Corrective Action Plans and rigorously track implementation of the same.

Suppliers are scored based on these findings, and the scoring methodology is periodically reviewed in consultation with clients to ensure alignment with evolving ESG priorities.

The goal is to achieve 100% compliance with Zydus' ESG Framework among strategic suppliers by FY 2027, underscoring the Company's commitment to sustainable and responsible sourcing.

Supplier Assessment Framework



Parameter	Coverage in FY 2024-25	Target for FY 2024-25
Total number of suppliers assessed via desk assessments/ on-site assessments	180	200
% of unique significant suppliers assessed	17	25

- Zero number of suppliers assessed with substantial actual/potential negative impacts.
- Zero % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan.
- Zero number of suppliers with substantial actual/potential negative impacts that were terminated.

Parameter	Coverage in FY 2023-24	Target for FY 2024-25
Total number of suppliers supported in corrective action plan implementation	NA	NA
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	NA	NA

NA because no significant risk identified during supplier assessment

Supplier Capacity Building

To ensure alignment with the Company expectations, Zydus regularly conducts educational webinars and awareness sessions for its suppliers. These sessions emphasise environmental and social responsibility, ethical business conduct, and bolster supplier awareness of Company's sustainability initiatives and requirements. Key areas addressed include:

- Safety Training and Safety Week Celebrations
- ISO 14001 Certification Training
- Compliance Training for Good Manufacturing Practices (GMP)
- Contractor Safety Management
- Environment Day Celebrations
- Digital Platform for Procure-to-Pay (P2P) Cycle – ARIBA
- Technology Partnerships, System Integration, and Process Automation
- ESG Awareness Programmes
- Social Upliftment Initiatives such as paying wages above the minimum requirement

Parameter	Coverage in FY 2024-25	Target for FY 2024-25
Total number of suppliers in capacity building programmes	750	700
% of unique significant suppliers in capacity building programmes	85	22

Sustainable Raw Materials

The Company has implemented mechanisms to ensure the sustainable sourcing of raw materials from suppliers who adhere to established sustainability standards. These sustainability standards include ISO 14001 (Environment Management System), ISO 50001 (Energy Management System) and ISO 45001 (Occupational Health and Safety Management System). In the reporting year, 39% of Zydus' inputs were sourced from suppliers with established ESG practices.

Local Sourcing

Zydus is dedicated to engage with small producers, vulnerable and marginalized groups, and local suppliers to enhance the resilience of its supply chain and support local economic growth. In FY 2024-25, 73% of total procurement budget was directed towards local suppliers serving the Company's manufacturing facilities. Additionally, 11% of the input materials were sourced from MSME suppliers. Through these initiatives, Zydus remains committed to encourage environmentally responsible practices within its supply chain, ultimately strengthening the communities in which Zydus operates. The Company encourages and provides support (remote and onsite) to suppliers for the execution of actions and measures aimed at improving ESG performance in following manner:

- Leveraging technical expertise to build supplier capability and drive improvements in ESG performance.
- Sharing best practices with suppliers, as needed, to support ESG advancement.
- Providing peer benchmarking insights to suppliers, when required, to help develop effective ESG improvement strategies.



Tax Strategy and Governance

The Company demonstrates a strong commitment to its corporate values and social responsibilities by ensuring full compliance with statutory obligations, including tax legislation, across all areas of operation. As a responsible corporate taxpayer, the Company consistently meets its obligations by adhering to applicable tax laws and submitting required tax returns in a timely manner. Further details on Zydus Lifesciences' approach to taxation are outlined in its tax policy policy at the following link: <http://www.zyduslife.com/public/pdf/Tax-Policy.pdf>

Tax Reporting

The table below outlines Zydus Lifesciences' tax reporting across the various geographies in which it operates:

Subsidiary	Share Capital	Tax Jurisdiction	Revenue *	Profit/ [Loss] before Taxation *	Income Tax Incurred *	Profit/ [Loss] after taxation *	% of share-holding (Relationship)
Zydus Wellness Limited	636.00	India	2,926.00	407.00	101.00	306.00	57.59%
Zydus Wellness Products Limited	2,188.00	India	26,194.00	(488.00)	(207.00)	(281.00)	57.59%
Zydus Healthcare Limited	217.00	India	40,946.00	12,492.00	1,871.00	10,621.00	100.00%
Zydus Pharmaceuticals Limited	7,700.00	India	1,470.60	(133.20)	(18.30)	(114.90)	100.00%
Biochem Pharmaceutical Private Limited (#)	0.10	India	-	(0.01)	-	(0.01)	100.00%
Dialforhealth Unity Limited	0.50	India	-	(0.20)	-	(0.20)	55.00%
Dialforhealth Greencross Limited	2.50	India	-	0.02	0.00	0.02	100.00%
German Remedies Pharmaceuticals Private Limited	668.30	India	5,307.40	809.60	207.30	602.30	100.00%
Liva Nutritions Limited	30.50	India	-	(0.02)	0.01	(0.02)	57.59%
Violio Healthcare Limited (#)	0.50	India	-	0.01	0.00	0.01	100.00%

Subsidiary	Share Capital	Tax Jurisdiction	Revenue *	Profit/ [Loss] before Taxation *	Income Tax Incurred *	Profit/ [Loss] after taxation *	% of share-holding (Relationship)
Zydus Animal Health and Investments Limited	14,144.00	India	2,008.00	1,751.00	448.00	1,303.00	100.00%
Zydus Strategic Investments Limited	10.00	India	-	0.78	0.19	0.59	100.00%
Zydus VTEC Limited	3,065.00	India	-	(315.50)	2.10	(317.60)	100.00%
LM Manufacturing India Private Limited	0.50	India	64.42	8.55	1.95	6.60	100.00%
Zydus Medtech private Limited (**)	1,395.00	India	23.80	(237.60)	(48.60)	(189.00)	100.00%
Naturell (India) Private Limited (***)	15.00	India	617.00	56.00	-	56.00	57.59%
Zydus Lanka (Private) Limited	11.49	Sri Lanka	77.23	(11.41)	(3.31)	(8.10)	100.00%
Zydus Healthcare Philippines Inc.	390.30	Philippines	1,430.94	84.80	19.72	65.08	100.00%
Zydus International Private Limited	6,226.96	Ireland	1,526.43	660.86	59.92	600.93	100.00%
Zydus Netherlands B.V.	8,616.37	Netherlands	-	(129.61)	-	(129.61)	100.00%
Zydus France, SAS	690.40	France	2,089.48	(153.09)	-	(153.09)	100.00%
Laboratorios Combix S.L.	664.28	Spain	1,698.80	152.96	12.19	140.77	100.00%
Etna Biotech S.R.L.	7.99	Italy	-	(24.36)	-	(24.36)	100.00%
Viona Pharmaceuticals (USA) Inc.	427.50	USA	4,208.96	38.56	(1.18)	39.75	100.00%
Zydus Pharmaceuticals (USA) Inc. (\$)	256.50	USA	100,476.26	926.80	218.95	707.85	100.00%

Subsidiary	Share Capital	Tax Jurisdiction	Revenue *	Profit/ [Loss] before Taxation *	Income Tax Incurred *	Profit/ [Loss] after taxation *	% of share-holding (Relationship)
Zydus Healthcare (USA) LLC	17.10	USA	175.06	6.93	4.23	2.71	100.00%
Sentynl Therapeutics, Inc.	2,565.86	USA	1,987.31	(2,004.99)	0.08	(2,005.07)	100.00%
Zydus Worldwide DMCC	1,967.65	Dubai	2,299.50	(3,554.90)	(319.84)	(3,235.06)	100.00%
Zydus Wellness International DMCC	5.82	Dubai	568.11	(184.83)	-	(184.83)	57.59%
Zydus Lifesciences Global FZE	10,276.52	Dubai	11,162.48	(1,578.92)	-	(1,578.92)	100.00%
Naturell Inc. (USA) (***)	0.31	USA	-	-	-	-	57.59%
Zydus Healthcare S.A. (Pty) Ltd	646.32	South Africa	2,491.26	82.05	22.28	59.78	100.00%
Alidac Pharmaceuticals SA (Pty) Ltd	0.00	South Africa	-	(0.02)	-	(0.02)	100.00%
Script Management Services (Pty) Ltd	0.00	South Africa	570.74	0.17	-	0.17	100.00%
Zydus Nikkho Farmaceutica Ltda.	3,785.68	Brazil	2,692.13	(652.79)	(0.11)	(652.68)	100.00%
Alidac Healthcare (Myanmar) Limited	722.60	Myanmar	1,072.27	(187.48)	-	(187.48)	100.00%
Zydus Pharmaceuticals Mexico SA De CV	700.96	Mexico	2,121.26	138.47	-	138.47	100.00%
Zydus Pharmaceuticals Mexico Services Company SA De C.V.	23.19	Mexico	0.74	0.03	-	0.03	100.00%
Zydus Therapeutics Inc.	29,026.80	USA	-	(3,042.49)	0.34	(3,042.83)	100.00%
Zydus Wellness BD Pvt Ltd	26.47	Bangladesh	94.67	(15.08)	0.61	(15.69)	57.59%

Subsidiary	Share Capital	Tax Jurisdiction	Revenue *	Profit/ [Loss] before Taxation *	Income Tax Incurred *	Profit/ [Loss] after taxation *	% of share-holding (Relationship)
Zynext Ventures PTE. LTD. (#)	795.15	Singapore	-	(3.15)	-	(3.15)	100.00%
Zynext Ventures USA LLC (#)	788.74	USA	-	(7.61)	-	(7.61)	100.00%
Zydus Pharmaceuticals Canada Inc (#)	80.74	Canada	-	(102.51)	(26.69)	(75.82)	100.00%
Zydus Pharmaceuticals UK Limited	7,740.73	UK	191.11	583.35	(14.51)	597.86	100.00%
LiqMeds Worldwide Limited	0.01	UK	1,535.44	1,516.27	47.45	1,468.82	100.00%
LiqMeds Limited	11.07	UK	229.84	175.58	43.90	131.69	100.00%
Medsolutions (Europe) Limited	0.02	UK	-	(0.60)	(0.15)	(0.45)	100.00%
LiqMeds Lifecare Limited	0.01	UK	134.02	134.08	32.69	101.38	100.00%
LM Manufacturing Limited	0.44	UK	391.00	(753.85)	157.01	(910.86)	100.00%

Effective Tax Rate

Financial Reporting	FY 2024	FY2025	Calculated Average
Earnings before tax	48,381,000,000	60,267,000,000	-
Reported taxes	9,775,000,000	14,119,000,000	-
Effective tax rate (in %)	20.20	23.43	21.99 (Automatic calculation of the Company's reported taxes in the two-year period (with adjustments) divided by the earnings before tax in the two-year period.)
Cash taxes paid	12,858,000,000	18,019,000,000	-
Cash tax rate (in %)	26.58	29.90	-

Information Security Governance

The Company has developed a comprehensive Information Security Governance, Audit and Compliance Policy and Information Security Management System Framework to bolster digital security and safeguard the information associated assets.

- The Risk Management Committee provides the oversight to the information security issues at the board level. Mr. Akhil Monappa, member of the Risk Management Committee of Board of Directors has expertise in functional area of IT and Finance. A detailed profile could be referred from the following link: <https://www.zyduslife.com/public/pdf/board-of-director-profile/Profile-Akhil-Monappa.pdf>
 - The Head of Information Technology, and The Head of Cybersecurity holds primary accountability responsibility for executing these policy policies and procedures at the executive level.
- 
- The Head of Information Technology of the Company holds overall accountability for IT performance and security across the organisation. This role involves providing strategic leadership, aligning IT strategy with business objectives, and collaborating with Business Unit Heads and senior leaders to integrate key initiatives.
 - The Head of IT also oversees resource allocation, risk management, and compliance, serves as a key member of the Board Committee which oversees the information security issues.
 - The Head of Cyber Security of the Company holds overall accountability for IT security performance across the organisation. This role involves providing strategic leadership, aligning security initiatives with business objectives, and collaborating with BU Heads and senior leaders to drive integration.
 - The Head of Cyber Security authorizes resource allocation, oversees risk management and compliance, and serves as a key member of the Board Committee, which oversees the information security issues.
 - The Head Cyber Security also reviews and approves the Information Security Policy and Information Security Management System (ISMS) framework, conducts regular audits, monitor programme effectiveness, leads the Information Security Steering Committee (ISSC), and executes security initiatives efficiently. Additionally, the Head oversees information security risk assessment and treatment processes.

Information Security Policy

As a global healthcare provider, the Company routinely handles sensitive research data, intellectual property, patient information, and regulatory compliance requirements. It is therefore essential to secure this data and maintain robust systems to defend against potential breaches. The Company's Information Security and Management Policy can be accessed from the following link: <https://www.zyduslife.com/public/pdf/companypolicy/Zydus-Information-Security-and-Management-Policy.pdf>

- The Information security policy outline's objective to protect organisation's information, ensure compliance, and manage risks effectively.
- The Information Security Management System Policy outlines specific guidelines and responsibilities to maintain an effective information security system. This policy is accessible to all employees and stakeholders with Company information access.
- The Company has an internal cybersecurity policies which aims at protecting and maintaining the confidentiality, integrity, and availability of information, managing the risk of security exposure and compromise, assuring a

secure and stable IT environment, identifying, and responding to events involving information asset misuse, loss or unauthorized disclosures, monitoring systems for anomalies that might indicate compromise, promoting and increasing the awareness of information security.

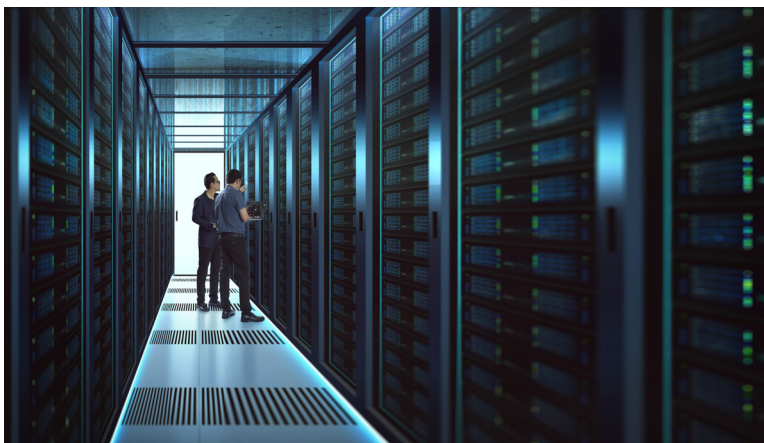
- Zydus recognises that information security risks are dynamic and subject to change based on evolving circumstances, henceforth Zydus performs periodic information security risk assessments and is committed to continuously improving its information security systems to address evolving risks and safeguard organisational value. Information security and data privacy risks are monitored as part of the Information security Risk Management Policy and in line with Enterprise Risk Management framework.
- Zydus enforces information security requirements for all third-party entities, including suppliers, vendors, etc. to reduce external risks and safeguard shared systems and data.

Information Security Programmes

The Company has developed Information Security Management System Framework as a baseline to establishing Information security management system within the organisation. These include dedicated security committees, clearly defined policies and procedures, regular audits, governance and compliance reviews to ensure robust protection of information assets.

Key points of information security programmes:

- ❖ To ensure business continuity pertaining to IT threats and to safeguard operations, the Company has developed a comprehensive Standard Operating Procedure (SOP) for disaster recovery.
- ❖ Annual mock drills are conducted as part of internal audit to evaluate the robustness of the systems and promptly identify any vulnerabilities or threats.
- ❖ The Company has received certification of ISO 27001 for one of its critical API plant (10% of the Company's operations). The Company is also currently undertaking ISO 27001 certification for the rest of the operations as well.
- ❖ In addition, the Company conducts annual third-party assessments in accordance with ISO 27001 and simulated cyberattack red team activity to test system resilience.
- ❖ The Company undertook third-party cybersecurity/vulnerability assessment that focuses on vulnerability assessment, penetration testing, red team activity, security architecture review, application testing, configuration review, solution review and operational technology assessment in FY 2025, no significant observations were reported. Moreover, no information security or data privacy breaches affected the Company's operations, workforce, customers, or clients during the reporting period.
- ❖ The Company has established a clear process for employees to report and escalate any suspicious activities or threats. The Information Security Incident Management Procedure provides multiple avenues for recording and addressing such incidents. All security incidents must be reported to the Chief Information Security Officer and the Security Incident Response Team. Additionally, personnel can use the central IT helpline (ithelpdesk@zyduslife.com) for any concerns.
- ❖ All employees undergo training on information security and data privacy by means of mandatory sign-off of data security policy and cybersecurity awareness snippets. This training helps build awareness of secure work practices and highlights the risks and consequences of cybersecurity incidents. In case of any breach involving an employee, a thorough investigation is carried out, and appropriate corrective and disciplinary actions are taken.



Product Innovations (Healthcare)

Zydus places innovation at the centre of its strategy, investing substantially in research and development across new chemical entities, biologics, and vaccines. The Company's integrated annual report (link: <https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf>) highlights its emphasis on building a future-ready pipeline, nurturing emergent categories, and delivering differentiated product propositions. By combining scientific excellence with advanced technology, Zydus ensures that its innovation framework drives breakthrough therapies and sustainable growth. This commitment positions the Company as a leader in creating long-term value through research-driven solutions.

Healthcare Clinical Pipeline

Innovation phase	Share of projects (%)	Number of projects	Share of R&D budget invested (%)	Success rate (%)
Total	100	27	100	-
Pre-clinical development	66.66	18	70	94
Clinical trials/pathway to approval	18.51	5	10	100
- Clinical trials: Phase I	7.40	2	4	100
- Clinical trials: Phase II	7.40	2	2	100
- Clinical trials: Phase III	3.70	1	4	100
Launch	14.81	4	19	95



Product Quality and Recall Management

To maintain the highest standards of product quality and ensure regulatory compliance, the Company implements stringent review and quality check procedures. Enhancing product quality, safeguarding patient safety, and preserving long-term stakeholder trust depend on the timely identification and mitigation of risks associated with the health and safety impact of its products. Regulatory authorities may issue warnings or sanctions in cases of noncompliance, which could adversely affect stakeholder perception and brand reputation. Accordingly, the Company continuously assesses the risk-benefit profile of its offerings, closely monitors product safety, and adheres to all applicable quality and regulatory compliance requirements.

Product Quality Programmes

At Zydus, there are various programmes and procedures in place to ensure product quality.

Processes to Prevent or Address Defective Products Before Delivery

The Company employs a robust Quality Risk Management (QRM) framework aligned with *ICH Q9 guidelines, integrating risk-based tools like *FMEA, HAZOP, and HACCP across manufacturing, packaging, and supplier qualification. Structured management reviews, predictive quality metrics, and a two-tier QC/QA review system ensure early detection and resolution of quality issues. The Company also uses digital Quality Control labs and Laboratory Information Management System (LIMS) for traceability. Notably, there were zero Class I recalls in FY2024 and FY2025.

A QUEST (Quality Excellence by Sustainable Transformation) programme is an organisation-wide initiative rolled out across all manufacturing sites of the Company for building a robust quality culture across the organisation from top-team to operators. The Company continues to nurture a resilient quality culture that ensures consistent delivery of safe, effective, and high-quality medicines to patients worldwide.



Post-delivery of the products to market, various measures are in place to safeguard the patient from counterfeit medicines. These measures include both covert and overt features. The anti-counterfeit strategy includes tamper-evident packaging, unique product identifiers, holographic stickers, UV imprinting on foils, and QR codes / Zydusverify.com that enable real-time product verification by the stakeholders across the supply chain from distributors to end-users. These features empower patients and partners to confirm authenticity with ease and confidence as well as ensures and enables to address any defective product.

Internal Audits of the Quality Management System

There is a defined framework for conducting internal audits by the Corporate Team along with the self-inspection system conducted by the cross-functional team. The Company conducts continuous and extensive internal audits ensuring continuous compliance and improvement.

Independent External Verification of the Quality Management System

The Company undergoes regular inspections by the USFDA and other regulatory agencies. In both FY2024 and FY2025, six audits were conducted by the USFDA. The Company adheres to standards such as cGMP and ICH Q9, with compliance verified by global regulatory bodies, including the USFDA.

The medical device manufacturing site of Zydus Lifesciences Limited has successfully undergone a compliance assessment in accordance with the requirements of ISO 13485:2016. The certification was granted by an independent third-party body, M/s Zenith Quality Assessors Pvt. Ltd., affirming the Company's adherence to internationally recognised quality management standards for medical devices.

Ongoing compliance is ensured through periodic surveillance audits, reinforcing Zydus' commitment to maintaining the highest standards of quality and regulatory excellence in its medical device operations.

Training for Internal Stakeholders on Quality Management Roles

Training is central to the Company's quality culture. Various training programmes including mandatory trainings like Good Manufacturing Practices, Good Laboratory Practices, Data Integrity (ALCOA+), and other role-based modules are conducted periodically.

Further capability-strengthening training programmes are conducted to enhance operator and engineer skills like Shop Floor 4.0 and Engineering Capability Development. Training matrix is prepared annually to define learning needs, and a structured schedule ensures timely delivery of sessions via e-learning, workshops, onboarding, and annual refreshers, governed by Standard Operating Procedures throughout the year. Further details on training for internal stakeholders on product quality can be found on Page No. 62-63 of the Integrated Annual Report at the following link: <https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf>

Mechanisms for External Stakeholders to Submit Complaints About Defective Products

Complaints and adverse events can be reported via toll-free helplines, the online Adverse Event Reporting System on the Company website, dedicated email, and social media.

The Company has a comprehensive Pharmacovigilance (PV) system. Reports are processed, reviewed, and submitted to regulatory authorities in applicable formats, ensuring timely and compliant responses. Further details on pharmacovigilance and patient safety can be seen on the Page No. 60 of the Integrated Annual Report FY2025 at the following link: <https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf>

Product Recalls (Health Care)

Class I Recalls	FY 2024-25
No. of recalls	0
Total value of recalled products (million USD)	0

Class II Recalls	FY 2024-25
No. of recalls	54
Total value of recalled products (million USD)	0.89

Compliance to Regulatory Standards

Regulatory Agency Inspections	FY 2024-25
No. of inspections	5

Form 483 Observations (or equivalent)	FY 2024-25
Number	12
Annual revenues generated from the affected facilities (USD millions)	40.66
Annual revenues impacted by production stoppages (USD millions)	0

*ICH Q9: International Council for Harmonisation Guideline Q9 on Quality Risk Management

*FMEA: Failure Mode and Effects Analysis

*HAZOP: Hazard and Operability Study

*HACCP: Hazard Analysis and Critical Control Points

*cGMP: Current Good Manufacturing Practices



FDA Warning Letters (or equivalent)	FY 2024-25
Number	1
Annual revenues generated from the affected facilities (USD millions)	37.09
Annual revenues impacted by production stoppages (USD millions)	0



The details of No. of recalls and Total value of recalled products (million USD) of Class I & II Recalls, No. of inspections of Regulatory Agency Inspections; Number, Annual revenues generated from the affected facilities (USD millions) and Annual revenues impacted by production stoppages (USD millions) of Form 483 Observations (or equivalent); Number, Annual revenues generated from the affected facilities (USD millions) and Annual revenues impacted by production stoppages (USD millions) of FDA Warning Letters (or equivalent) for FY2021-22 to FY2023-24 can be referred from Page No: 31 of ESG Report FY23-24 at the following link : https://www.zyduslife.com/public/pdf/ZLL-ESG_Report-FY2024.pdf

Ethical Animal Use and Welfare at Zydus Research Centre (ZRC)

- Zydus Research Centre (ZRC) prioritises ethical standards, care, and welfare for research animals while developing innovative medicines.
- Complying with national and global regulations, ZRC minimises animal use by exploring in vitro and in silico alternatives, adhering to the 3 Rs—Replacement, Reduction, and Refinement.
- Its facility is approved by CCSEA and accredited by AAALAC. Over the past two years, ZRC has reduced animal usage >08% through stringent protocol reviews and in vitro methods. It was ensured that experiments had clear objectives, repetition was avoided, and optimal group sizes were used.
- Additionally, ZRC introduced Rehabilitation, rehoming healthy animals' post-experimentation. These practices align with their ESG goals, demonstrating a commitment to ethical research and animal welfare.



*CCSEA: Committee for Control and Supervision of Experiments on Animals

*AAALAC: Association for Assessment and Accreditation of Laboratory Animal Care

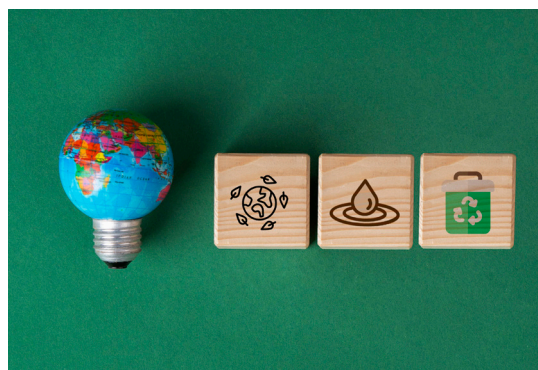
ENVIRONMENTAL STEWARDSHIP



Environmental Policy & Management

Environmental Policy

The Company's corporate level Environment, Health & Safety policy (<https://www.zyduslife.com/public/pdf/EHSPolicy.pdf>) outlines its commitment to environmental stewardship. This policy provides structured and systematic guidance for managing environmental aspects and performance. It applies to all business operations, products and services, distribution and logistics, waste management, suppliers, service providers, contractors, and other key business partners. In cases of mergers, acquisitions, or due diligence, the policy is accounted for and ensures that the stakeholders are aligned with it.



Environmental Governance

The EHS policy, approved by the Board of Directors, is implemented centrally by senior management, with operational-level execution carried out by facility and department managers. As a pharmaceutical manufacturing Company, it is imperative for the Company to operate in an environmentally responsible manner to uphold ecological balance. This objective is achieved through a collective and conscious effort across the organisation.

To support this, the Company conducts regular training and shop-floor awareness sessions to educate employees about the environmental impact of their activities. Specific roles and responsibilities have been assigned to ensure effective implementation of the policy. Through public disclosures, it communicates the significance of environmental management to external stakeholders.

The organisational environment targets and KPIs are percolated to departmental level, and performance against each KPI is assessed at frequencies ranging from daily to monthly. Given the nature of its business, environmental management is a key material issue. Accordingly, the Company is committed to continuously improving its performance against key environmental metrics. Targets are established and progress is consistently monitored. Employees receive regular training on environmental protection and conservation throughout various stages of their employment tenure to reinforce awareness and accountability. The Company has sought opinions from external stakeholders during the revision of its EHS Policy. The policy is also reviewed annually by external auditors as part of the ISO 14001 audit.

Environmental Management Systems Verification

The Company has implemented ISO 14001 Environmental Management Systems at almost all of its sites. The table below provides details on the certifications across the Company's operations:

Certification	Coverage
EMS is verified through ISO 14001	85%
Third party certification /audit / verification	15%
Internal certification /audit / verification by the Company's own specialists	0%
Total	100%

Environmental Violations

The Company regularly conducts internal and external audits on a periodic basis by certified internal auditors on the environment management system. In FY 2024-25, its facilities underwent 03 internal audits and 02 external audits, covering 100% manufacturing units.

The Company is compliant with all environmental laws and regulations. No fines or violations / no open show cause or legal notices, or penalties have been imposed by regulatory agencies for safety and environmental violations for the preceding three years.

Energy Management Programmes

The Company engages certified energy auditors, accredited by the Bureau of Energy Efficiency (BEE), Government of India, to conduct regular internal energy audits. The energy audits are further reinforced by independent third-party audits every three years, in line with statutory obligations. The internal Energy Excellence Team plays a central role in this initiative, actively identifying opportunities to reduce energy consumption and enhance overall efficiency through detailed site-level audits. Key energy performance indicators, particularly energy consumption per unit of production and energy cost-saving metrics, are tracked and analysed monthly. These metrics are reviewed by the Head of Operational Excellence and the Projects and Engineering Head to guide decision-making. Momentum and alignment across sites are maintained through structured fortnightly review meetings on energy performance involving the team members from Energy Excellence Team, Site Engineering Head, and Site Engineers. These meetings focus on tracking progress towards targets, planning upcoming energy projects, and optimising resources and timelines. Consistent monitoring and cross functional collaboration help advance energy management goals and enhance sustainability efforts. ~80% of the sites are certified with ISO 14001 and ISO 45001 certifications.

The fuel consumption includes Light Diesel Oil (LDO), High-Speed Diesel (HSD), coal, furnace oil, biomass, and natural gas, reflecting a balance between conventional energy requirements and the gradual transition towards more sustainable alternatives. Electricity is consumed from the grid, through open-access purchase power agreements and on-site solar rooftop installations.

The Company's commitment to operational excellence has resulted in significant energy savings in terms of both i.e. electricity and fuel energy savings. Key initiatives contributing to this achievement include replacing inefficient chillers with high-efficiency models, installing Variable Frequency Drives (VFDs) for AHUs and cooling tower fans, optimising compressed air pressure, implementing Energy Conservation (EC) fans, installing motion sensors, and refining compressed air dryer dew points. These investment driven focused efforts on improving energy efficiency have resulted in annual energy savings of more than 35000 MWh due to the Company's continuous focus on improving energy efficiency, thereby reducing energy consumption for the year FY2025. The Company has proactively embraced alternative energy sources to minimise environmental impact. They utilised clean energy of over 40,000 metric tons of biomass fuel annually as the primary source for boiler operations, effectively generating steam with reduced carbon emissions. Additionally, in-house solar energy production exceeds more than 600 MWh, serving as a sustainable alternative to grid-based power. Furthermore, the Company has purchased over 80,000 MWh of renewable hybrid electrical energy. Some of the innovative measures to cut down the Company's energy usage are as follows:

A. Energy conservation measures and technology absorption measures and benefits derived:

Sr. No.	Energy Conservation Measures	Investment (Rs. Lacs)	Annual Energy Saving		Monetary Savings (Rs. Lacs)
			Electrical Energy (MWh)	Fuel Energy (Ton)	
A	Energy Saving by improvement/ modification				
1	Reduction in energy consumption by optimising the Air Handling Unit (AHU) operating temperature of the Automated Storage and Retrieval System (ASRS).	-	8.57	-	0.60
2	Reduction in energy consumption by optimisation of the soot-blowing system in the Fluidized Bed Combustion boiler (FBC).	8.80	46.00	-	3.22

Sr. No.	Energy Conservation Measures	Investment (Rs. Lacs)	Annual Energy Saving		Monetary Savings (Rs. Lacs)
			Electrical Energy (MWh)	Fuel Energy (Ton)	
3	Utilisation of chilled water for indoor AC units in place of compressor-based chilling systems to enhance energy efficiency.	-	11.8	-	0.82
4	Reduction in power consumption by altering the auto shutdown timing of the Processed Controlled System (PCS) blower of the Fluidized Bed Processor (FBP).	-	5.63	-	0.39
5	Removal of Heat of Compression (HOC) air dryer to eliminate air loss in compressed air line and enhance energy efficiency.	18.41	86.20	-	6.03
6	Optimisation of milling and product transfer operations by removing the interlock between Fluid Bed Equipment (FBE) and SILO systems, resulting in reduced energy consumption.	-	37.50	-	2.62
7	Integration of sump tanks in the Effluent Treatment Plant (ETP) to enhance energy savings.	-	45.93	-	3.21
8	Energy cost reduction by discontinuation of split AC units in the Analytical Development Laboratory (ADL) area.	0.30	15.00	-	1.38
9	Installation of motion sensors for lighting in service floor areas to reduce power usage.	0.45	571.00		39.97
10	Utilisation of reused Air Handling Unit (AHU) exhaust air for cooling the Uninterrupted Power Supply (UPS) room to enhance energy savings.	12.50			
11	Interlock of dynamic Pass Box blower operation based on door open-close status for energy conservation.	-			
12	Installation of Variable Frequency Drive (VFD) for the garden pump to optimise energy usage.	-			
13	Optimising the operating frequency of AHUs (Air Handling Units) catering to the ASRS (Automated Storage and Retrieval System) area to enhance cost savings.	-			
14	Implementation of pre-manufacturing practices for injection area batches to reduce energy consumption.	-			
15	Installation of timer controls to switch off the partial parking area lights during non-operational hours to optimise energy usage.	-			

Sr. No.	Energy Conservation Measures	Investment (Rs. Lacs)	Annual Energy Saving		Monetary Savings (Rs. Lacs)
			Electrical Energy (MWh)	Fuel Energy (Ton)	
16	Optimising the energy consumption by providing interlocks in Air Handling Unit (AHU) cooling fan on Variable Frequency Drive (VFD) driven operations.	0.20	0.92	-	0.06
17	Installation of timer-based control in cassette AC units for optimised energy usage.				
18	Reduction in raw water consumption by implementing Ready For Use (RFU) rubber stoppers in the injection area.				
19	Reduction in coal consumption by improving boiler efficiency through better steam-to-fuel ratio.	-	-	128.00	3.84
	Sub Total (A)	40.66	828.56	128.00	62.17
B	New Technology Adoption				
1	Installation of power improvement filter across chiller input power supply to enhance energy efficiency.	7.82	128.00	-	8.96
2	Replacement of existing split AC units with inverter based split ACs to reduce power consumption.	1.64	1.70	-	0.11
3	Energy savings through the installation of steam turbines in place of pressure regulated valves.	13.20	360.00	-	25.20
4	Installation of VFD for cooling tower makeup water pump motor to reduce energy consumption.	0.25	16.00	-	1.12
5	Optimisation of energy consumption by replacing old chillers with energy efficient chillers.	204.30	435.00	-	30.45
	Sub Total (B)	227.21	940.70	-	65.85
	Total C= (A+B)	267.87	1769.26	128.00	128.02

B. Steps taken by the Company for utilising alternative sources of energy:

The Company has taken various steps for utilising alternative sources of energy. Amongst others, below are some of the specific steps taken:

- Usage of biomass fuel (> 40,000 MT) as a primary fuel for the boiler operations to generate steam.
- In-house generation of > 600 MWh solar energy as an alternate source of grid power.
- Purchase of >80,000 MWh renewable hybrid electrical energy to reduce the environmental impact of operations.



Energy Efficiency- Impact Story

A. Replacement of Existing old chiller with new higher efficient chiller

Challenge

In 2024, a pivotal energy efficiency project was launched at Moraiya plant targeting the reduction of power consumption and enhancement of system performance. The project specifically focused on the chilled water system, a critical component of the plant's infrastructure. During the internal energy audit, it was found that Chiller No. 1 had a significantly larger operational lifespan which resulted in its higher specific power consumption at 0.965 iKW/TR (part load) and 0.764 iKW/TR (full load).

Solution

The identified low efficiency chiller was replaced with a new, high-efficiency model. This strategic upgrade was implemented to optimise energy use and enhance system performance across the board.

Results

Specific power consumption improved to 0.545 iKW/TR (part load) and 0.552 iKW/TR (full load).

Annual energy savings of more than 1200 MWh was achieved translating to annual monetary savings of ₹11 Million. Investment of ₹11 Million was made with a payback period of 12 months.

B. Optimising Energy Efficiency in Boiler Operations

Objective

The Company's largest API Unit in Dabhasa undertook a crucial project to reduce coal consumption by enhancing boiler efficiency. With utilities like boilers contributing to around 40% of manufacturing energy consumption, reducing coal usage became imperative for efficiency improvements and environmental impact reduction.

Solution

In its initiative to reduce coal consumption at the API Unit, the following approach was adopted by the Company:

- Applied ISO 50001 standards to identify significant energy uses, concentrating on chillers, boilers, and air compressors.
- Focused efforts on enhancing boiler system efficiency based on significant energy consumption metrics.
- Targeted an increase in the steam to fuel ratio, aiming to lift it from 5.5 to 6.3.
- Conducted numerous trials to ensure service stability and compliance with environmental regulations.
- Implemented comprehensive monitoring of coal quality and optimised condensate recovery.
- Executed minor operational adjustments to refine performance.
- Achieved enhancement in boiler efficiency from 79% to 83% without necessitating capital investment, fulfilling energy reduction goals.

Results

- Successfully reduced coal usage from 717 MT to 619 MT, achieving an annual savings of 128 MT.
- Lowered emissions by 238 tCO₂e.

Integrating Employee Engagement into Energy Management

The Company focuses on equipping its workforce with the necessary skills and knowledge to drive energy efficiency and sustainability initiatives. Employees undergo extensive training and acquire key sustainability certifications, including CII-certified Sustainability Assessor, Energy Manager/Auditor and GRI Professional. Additionally, internal training is provided for ISO 14001, ISO 45001 and ISO 50001 Lead/Internal Auditor courses, along with resource efficiency modules, ensuring the team is well-prepared to support the Company's sustainability objectives. To foster a culture of continuous improvement in energy performance, the Company hosts annual Energy Excellence Awards. Formulation units are grouped into two categories based on their energy consumption; large volume units (power budget >10 GWh) and small volume units (power budget < 10 GWh).

Sites are assessed against a set of transparent criteria pertaining to energy management, improvement in energy efficiency and energy conservation. The two best performing sites gets recognition as Winner and Runner-up awards based on their energy performance. This high level recognition by senior leadership significantly boosts team morale and reinforces commitment to climate-related initiatives. The Company encourages innovation through the 'Strategic Lean Integrated Manufacturing (SLIM)' idea portal. This platform serves as a hub for employees to submit improvement ideas, particularly those focused on energy and water conservation. Once reviewed and approved, these ideas are implemented across sites, with recognition and rewards given for impactful contributions.



Till date, over 1,300 employees are acknowledged for their innovation and dedication to environmental efficiency. The Operational Excellence division leads the Company's energy and water conservation initiatives. This division sets ambitious annual targets for achieving exceptional results in these areas, with progress diligently monitored. Bi-weekly meetings with site Engineering and EHS teams ensure effective dialogue, while comprehensive monthly reviews, led by the head of Operational Excellence, track, and evaluate progress towards these goals.

Energy Consumption

Energy Consumption in MWh	U.O.M	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total non-renewable energy consumption	MWh	4,96,441	4,59,403	4,33,047	4,49,887
Total renewable energy consumption	MWh	1,07,693	1,63,336	2,01,212	2,71,235
Total Energy Consumption	MWh	6,04,134	6,22,739	6,34,259	7,21,122
Energy Intensity	MWh/ Revenue in Million Rupees	4.61	4.16	3.68	3.51

The data for energy consumption has been externally verified by M/s Intertek India Pvt. Ltd. and the assurance statement can be referred from Page no. 272-274 of Integrated Annual Report at the following: <https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf>

Due to an 10% increase in production volume, there has been a rise in absolute energy consumption by 13% in FY24-25. However, this rise in energy consumption has been effectively mitigated by a strong focus on improving operational efficiencies and energy conservation. Over the past three years, a 16% improvement in energy efficiency has been achieved, resulting in energy savings of 1.32 lakh MWh, underscoring the commitment to sustainable growth.

Energy Targets for FY24-25	7,26,037 MWh
Actual Energy Consumption for FY24-25	7,21,122 MWh
Annual Energy Savings	4,915 MWh
Non-Renewable Energy Targets for FY24-25	4,95,710 MWh
Actual Non-Renewable Energy Consumption for FY24-25	4,49,887 MWh
Annual Non-Renewable Energy Savings	45,823 MWh

Highlights

Energy Intensity

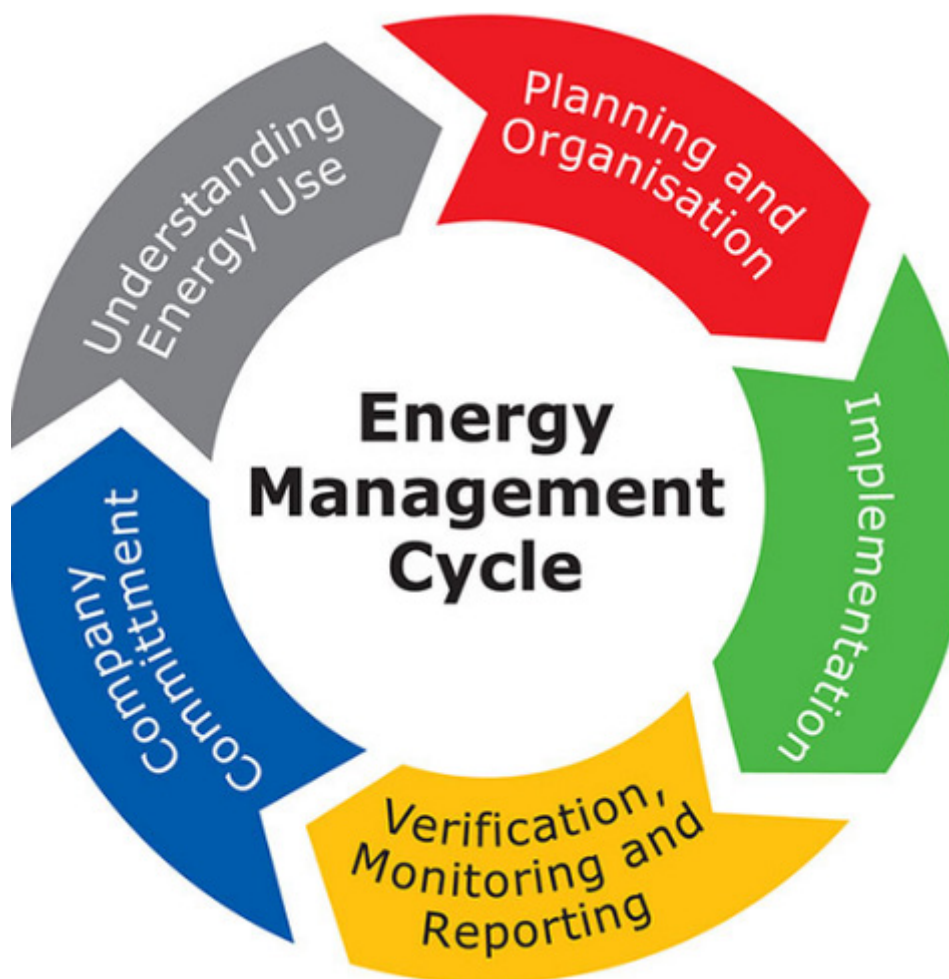
- Energy Intensity reduction by 16% reduction in FY2024-25 vs FY2022-2023
- Energy Intensity reduction by 5% reduction in FY2024 - 2025 vs FY2023- 2024

Renewable Energy Increase

- 66% absolute RE (MWh) increase by FY2024 -25 vs FY2022- 2023
- 35% absolute RE (MWh) increase in FY2024 - 2025 vs FY2023- 2024

Renewable Energy Share

- Contribution in total energy mix has risen from 26% FY2022-23 to 38% in FY2024-25
- Contribution in total energy mix has risen from 32% FY2023-24 to 38% in FY2024-25



Waste and Pollutants

Waste Management Programmes

Waste Generated and Disposal to and from landfill, Targets and Waste Management Programmes

The Company's waste management strategy is designed to minimise waste generation and enhance sustainability across its operations. Regular internal audits are conducted to identify opportunities for waste reduction and develop action plans with measurable targets, helping to effectively discover and implement alternatives to minimise waste. By investing in research and development, the Company incorporates innovative technologies that reduce its waste footprint, ensuring it stays abreast of industry advancements. Comprehensive waste reduction training is provided to employees, complemented by awareness initiatives at various manufacturing sites, which engage the workforce in sustainable practices and contribute to combating climate change.

The Company has integrated waste recycling strategy in order to reduce the disposal of waste via landfill. The waste management strategy is centred around the 5R Principles: Refuse, Reduce, Reuse, Recycle, and Recover, with the goal of achieving zero waste to landfill. Over the past two years, formulation manufacturing sites have consistently achieved the "Zero Waste to Landfill" status. Hazardous waste is managed responsibly by partnering with authorised vendors for safe disposal through landfill, incineration, and co-processing at cement kilns. All plastic waste is taken back from the market under Extended Producer Responsibility (EPR) liability by an authorized vendor for recycling and energy recovery and have achieved 100% of EPR target in previous years. The Company is also working to reduce reliance on solvents during product development to minimise solvent use during scale-up. Additionally, the Company disposes of waste through co-processing to cement industries as Alternative Fuel Resources (AFR) to conserve natural resources.



The Company continuously conducts brainstorming sessions and makes strategic investments to reduce waste generation across its critical processes, including R&D, manufacturing, and auxiliary areas.

As of now, Zydus Lifesciences Limited is undergoing Waste Diversion from Landfill Certification and Verification for its operational sites. This assessment is being conducted by Bureau Veritas Certification, an independent accredited body, as part of the scope of work for the reporting year FY2025. The certification is expected to be released by Q4 of FY2024-25, reinforcing the Company's commitment to sustainable waste management and environmental stewardship.

E-waste and battery waste are sent to registered recyclers for recycling, while bio-medical waste is safely incinerated. 100% of non-hazardous waste is also safely disposed of by recyclers. Furthermore, plastic waste is directed towards recycling and managed effectively at the end of its life cycle.

The Company has set a target to increase waste disposal via co-processing to 40% for the Company's India operations by FY2026. At present, 44% of the waste is disposed of via co-processing, demonstrating 16% increase from FY22-23. Certification by an independent accredited body ensures the credibility of its waste diversion efforts, with its waste data externally verified by M/s Intertek India Private Limited. These initiatives underscore the Company's commitment to environmental stewardship and sustainable waste management. 100% of operations are covered for reporting the data of waste management (generation & disposal).

Waste Generation and Disposal

Particulars	U.O.M	FY 2021- 22	FY 2022- 23	FY 2023- 24	FY 2024- 25
Waste Generation	(MT)	22,731	23,878	25,198	30,273
Waste Intensity	MT/ Revenue in Million Rupees	0.17	0.16	0.15	0.15

Due to an 10% increase in production volume, there has been a rise in absolute waste generation by 20% in FY24-25. However, this rise in generation of waste has been effectively mitigated by a strong focus on improving operational efficiencies and waste conservation. Over the past three years, a 07% improvement in waste efficiency (generation) has been achieved, underscoring the commitment for responsible business practices towards environment protection.

The table below provides details on waste generation for a four-year period:

Waste in MT	U.O.M	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total waste recycled/reused	MT	15,371	15,798	15,637	19,479
Total waste disposed		22,731	23,878	25,198	30,268
Waste landfilled		3,694	3,960	3,756	3,858
Waste incinerated with energy recovery		0	0	0	0
Waste incinerated without energy recovery-Co-processing		773	604	1,159	1,071
Waste otherwise disposed		2,813	3,519	4,441	5,873
Waste with unknown disposal method		0	0	0	0

The annual target for total waste recycled/reused for FY 2024-25 was 17,200 MT.

The table below provides details on the Company's hazardous waste generation and disposal for a 4-year period:

Hazardous Waste in MT	U.O.M	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total hazardous waste recycled/reused	MT	7,326	8,067	7,672	8,327
Total hazardous waste disposed		7,280	8,083	9,356	10,804
Hazardous waste landfilled		3,694	3,960	3,756	3,858
Hazardous waste incinerated with energy recovery		0	0	0	0
Hazardous waste incinerated without energy recovery		773	604	1,159	1,072
Hazardous waste otherwise disposed		0	0	0	0
Hazardous waste with unknown disposal method		0	0	0	0

The Company's annual target for total hazardous waste disposed for FY 2024-25 was 10,291 MT.



- 16% increase in waste disposal by co-processing in FY2025 (44%) vs FY2023 (28%)
- 32% increase in absolute waste (MT) disposal via co-processing in FY2025 vs FY2024
- 110% of target achievement for co-processing of waste (Target: 40% FY2026)

Water Management

Water Efficiency Management Programmes

Water Consumption, Withdrawal and Discharge, Targets and Water efficiency programmes

Water, the elixir of life, is indispensable for sustaining ecosystems and serves as a vital component in human activities. In the pharmaceutical sector, where manufacturing and quality standards demand continuous water use for processes such as drug synthesis, cleaning, and cooling, environmental challenges arise, including potential pollution and depletion of local water resources. The reduction in water consumption and its related cost is part of operation cost management. The Company takes touches upon multiple avenues to reduce water consumption by means of internal audits, plugging the water leakages, brainstorming idea generation initiative to generate ideas for water conservation and thereby improving operating water efficiency. The Company is dedicated to achieving water neutrality by implementing innovative water management strategies and investing in advanced treatment technologies to minimise its water footprint and mitigate environmental impacts. A cross-functional team has been formed to manage the water neutrality project, with oversight provided by the EHS function and CSR team, and third-party agency serving as the implementing partner. The Company imparts regular training and awareness sessions to the employees to abreast them regarding technologies and administrative initiatives for water conservation.

Net Water Neutrality Commitment

The Company prioritises 'Water Management' as a core ESG material issue. Water risk assessments have been conducted across various sites, and efforts are ongoing to reduce freshwater consumption, improve water intensity, and maximise recycling and reuse. This year, the Company partnered with third-party agency on a water neutrality project across 11 villages to harvest rainwater for agricultural reuse and aquifer recharge. The goal is to achieve net water neutrality by FY 2026- 27 against a baseline year of FY 2021-22. More than 1.9 lakh kilolitres are planned to be harvested and recharged annually. Stakeholders are continuously educated on water reduction and clear targets in alignment with both global sustainability goals and national priorities are set for water management. Using the *WWF Water Risk Filter Tool, water risks were assessed at 11 locations, including villages in the Mandal and Viramgam blocks. In these water-stressed areas, plans are in place to implement farm ponds, restore community ponds, build percolation tanks, gabions, repair check dams, and install recharge shafts. The implementing partner also conducted sessions promoting water conservation and efficient agriculture. The Company has adopted a Zero Liquid Discharge (ZLD) approach across all sites, with one facility already achieving full ZLD status. The treated water is utilised for horticulture and non-essential operational purposes. The water management efforts align with India's National Water Mission, focusing on water conservation, minimising waste, and ensuring equitable distribution.

The Water Neutrality project is based on the **3M-7R** approach:

- **Map:** Mapping of the current and diversified pool of fresh as well as recycled or reused water sources.
- **Monitor:** Monitoring quality of the resources, including discharges and quality of land or water sources that receive treated discharge.
- **Measure:** Measuring the amount of water used.
- **Reduce:** Reduce water consumption.
- **Recycle and Recover:** Maximise the recycling and reuse of treated water to reduce freshwater intake.
- **Replenish and Recharge:** Create more rainwater storage facilities and recharge the groundwater table.
- **Recognise/ Respect:** Brand recognition to achieve water neutrality by significantly contributing to the environment and society.



Water Consumption

The table below provides water consumption trends for a period of four years:

Water in (KL)	U.O.M	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
A. Water withdrawal (excluding saltwater)	Million m ³	1.91	1.88	1.91	2.07
B. Water discharge (excluding saltwater)	Million m ³	0	0	0	0
Total net freshwater consumption (A-B)	Million m ³	1.91	1.88	1.91	2.07
Water Intensity	Million m ³ /Revenue in Million Rupees	0.000015	0.000013	0.000011	0.000010

Water Intensity Highlights

- Reduction in water intensity by 20% reduction in FY2024 -25 vs FY2022- 2023
- Reduction in water intensity by 9% reduction in FY2024 - 2025 vs FY2023- 2024

Due to an 10% increase in production volume, the water consumption has gone up by 08% for FY24-25. However, this rise in water consumption has been effectively mitigated through a strong focus on water conservation and improving water efficiency. These efforts have resulted in savings of approximately 0.51 million m³ of water through 20% improvement in water efficiency over the past three years. 100% of operations are covered for reporting the data of water management (consumption, recycle, reuse & discharge).

Water Consumption Target for FY24-25

Water Consumption Target	2.17 Million m ³
Actual Water Consumption	2.07 Million m ³
Annual Water Savings	0.10 Million m ³

Water consumption in water stressed areas					
Particulars	U.O.M	FY 2021-22	FY 2022- 23	FY 2023- 24	FY 2024- 25
Water withdrawal by source	Million m ³	0	0	0	0
(i) Surface water		0	0	0	0
(ii) Groundwater		0.20	0.21	0.23	0.26
(iii) Third party water		0	0	0	0
(iv) Seawater / desalinated water		0	0	0	0
(v) Others		0	0	0	0
Total volume of water withdrawal		0.20	0.21	0.23	0.26
Total volume of water consumption		0.20	0.21	0.23	0.26
Water intensity	Million m ³ /Revenue in Million Rupees	0.0000015	0.0000014	0.0000013	0.0000013

Note: Name of stressed area: Vadodara (Padra) * - API operations at Padra, Vadodara, Gujarat, Ahmedabad* – Corporate Office at Gujarat
 *As per Central Ground Water Authority (CGWA), Govt. of India

Water Intensity Highlights

- Reduction in water intensity by 11% reduction in FY2024 -25 vs FY2022- 2023
- Reduction in water intensity by 04% reduction in FY2023 - 2024 vs FY2024- 2025

Treated Water/Effluent (Kl)					
	Particulars	FY 2021-22	FY 2022- 23	FY 2023- 24	FY 2024- 25
Total Treated Effluent Discharged	Effluent to others with tertiary treatment (Reuse in gardening, cooling tower, and other non-critical applications)	7,84,889	7,21,861	7,58,820	8,48,024
	Effluent sent to third party	4,05,805	4,22,421	4,02,168	4,15,878
	Effluent to municipal sewer	0	0	0	0
	Effluent to surface water	0	0	0	0
	Total Effluent Discharged	11,90,694	11,44,282	11,60,988	12,63,902

Nearing Zero Liquid Discharge



Zero Liquid Discharge (ZLD) systems have been implemented across the manufacturing sites, supported by robust infrastructure to effectively treat wastewater. A comprehensive multi-stage treatment process is utilised, beginning with primary and secondary treatment, followed by advanced tertiary technologies like Ultrafiltration (UF) and Reverse Osmosis (RO). For streams with high Total Dissolved Solids (TDS), specialised equipment including Multi-Effect Evaporators (MEE), Mechanical Vapour Recompessors (MVR), and Agitated Thin Film Dryers (ATFD) are employed.

This would enable the Company to repurpose treated water in cooling towers and boilers, utilise RO plant reject water and UF and MGF reject water in cooling towers, gardening, and toilet flushing. The Company also reuses steam condensate water in

boilers and cold condensate water from AHUs in cooling towers, demonstrating its comprehensive approach to water conservation and quality improvement.

Rainwater Harvesting

Rainwater harvesting structures have been constructed across Ahmedabad district, where a significant number of facilities are located. These structures include community ponds, Nala Deepening and Widening structures (NDW), farm ponds, submerged borewells, and injection borewells.

A recharge potential of 8,55,603 kilolitres has been created through these water management structures. As of FY 2024-25, approximately 4,21,526 kilolitres have been successfully achieved, accounting for roughly 50% of the target. This project aims to

improve groundwater quality, enhance local aquifer recharge potential, and boost soil fertility. Through rainwater harvesting and storage in farm ponds, nalas, and community ponds, water availability is facilitated for cultivation throughout the year. These efforts will make several hundred hectares of land cultivable, significantly improving the livelihoods of local villagers by ensuring water availability for agricultural use.



Commitment to Water Quality and Regulatory Compliance

The Company has established a robust monitoring system to ensure consistent water quality and regulatory compliance. Effluent parameters are tested in-house daily and are regularly verified through third-party assessments conducted periodically. Its API units are also equipped with continuous online effluent monitoring systems, overseen by the Central and State Pollution Control Boards (CPCB and SPCB). The Company is committed to enhance water management practices through feedback, technological upgrades, and proactive resource allocation. The water consumption and reuse targets are diligently monitored monthly through the EHS Forum to review the water performance and plan necessary actions to meet the targets.



Water Risk Assessment



The Company understands the importance of addressing water-related challenges to strengthen operational resilience. The Company utilised the World Wildlife Fund (WWF) Water Risk Filter tool to assess water related risks at 18 of its manufacturing locations in India. The WWF tool majorly evaluates 3 risk types: physical, regulatory and reputation risk across 42 indicators. The tool, in addition, considers the scenarios based on the most relevant climate scenarios for 2030 and 2050 containing three different pathways: Optimistic: RCP2.6 - 4.5 & SSP1, Current trend: RCP4.5 - 6.0 & SSP2, Pessimistic: RCP6.0 - 8.5 & SSP3.



WATER RISK ASSESSMENT		
RISK TYPE	IDENTIFIED RISKS	MITIGATION MEASURES
Physical Risk A Company faces physical risk if its operations are in river basins prone to water scarcity, flooding, or poor water quality, affecting ecosystem services. Additionally, reliance on or impact on water resources poses operational water risks. Regulatory Risk A Company faces regulatory risk if it operates in unstable regulatory environments (basin water risks) or fails to comply with existing regulations, leading to fines or restrictions (operational water risks). Reputational Risk A Company faces reputational risk if stakeholders perceive its water-related practices as unsustainable. This risk is influenced by operational performance and basin conditions such as media scrutiny, conflicts, and freshwater resources' condition and biodiversity.	1. Water Depletion The ratio of surface and ground water consumptive use to available renewable water. 2. Baseline Water Stress The ratio of total surface and groundwater withdrawals to available renewable water. 3. Available Water Remaining (AWARE) The available water remaining in a given river basin relative to the world average, after human and aquatic ecosystem demands have been met. 4. Fragmentation Status of Rivers Percentage of the river basins' volume considered as fragmented. 5. Cultural Diversity Count of ethnolinguistic groups by country as a proxy of cultural diversity. 6. Blue Water Scarcity The ratio of the blue water footprint to the total blue water availability. 7. National Media Coverage How aware local residents typically are of water-related issues due to national media coverage. 8. Global Media Coverage How aware people are of water-related issues due to global media coverage. 9. Conflict News Events Negative incidents, criticism and controversies that can affect a Company's reputational risk. 10. Freshwater Biodiversity Richness The count of fish species is used as a representation of freshwater biodiversity richness.	1. Water Conservation Technologies Zydus Lifesciences optimises water usage through closed-loop systems, recycling water in manufacturing. They invest in efficient purification methods, reducing waste and costs while meeting quality standards. 2. Stakeholder Engagement Engaging local communities and regulatory authorities ensures transparent communication and sustainable water management. Collaborative watershed programmes build trust and mitigate reputational risks. 3. Risk Monitoring and Reporting Zydus Lifesciences implements robust monitoring to track water usage, quality, and environmental impact. Real-time analytics identify risks, ensuring compliance with evolving regulations. 4. Supply Chain Resilience Assessing water risks in the supply chain involves collaborating with suppliers to enhance resilience and implement risk-sharing mechanisms, minimising disruptions. 5. Climate Adaptation Strategies Zydus Lifesciences develops climate adaptation strategies, including infrastructure upgrades and water source diversification, to anticipate and mitigate the impacts of climate change on water resources.

Solutions and Strategies

Water Conservation Technologies

The Company is incorporating advanced technologies into its manufacturing processes to optimise water usage and minimise wastage. This involves adopting closed-loop systems, which recycle water within the manufacturing process instead of letting it go to waste. Additionally, the Company is investing in efficient water purification methods to ensure that the water used meets quality standards, reducing the need for excessive purification or treatment. By deploying these technologies, the Company aims to not only reduce its environmental footprint but also potentially save on water costs in the long term.

Stakeholder Engagement

Engaging with local communities, regulatory authorities, and other stakeholders is crucial for the Company to ensure transparent communication and address concerns related to its water usage. Collaborative initiatives such as watershed management programmes involve working with local communities and authorities to manage water resources sustainably, benefiting both the Company and the surrounding areas. Through community outreach projects, Zydus Lifesciences can build trust and demonstrate its commitment to responsible water stewardship, thereby mitigating reputational risks associated with water management.

Risk Monitoring and Reporting

The Company is implementing robust monitoring systems to track various aspects of water usage, quality, and environmental impact across its manufacturing facilities. Real-time data analytics enable the Company to identify potential risks proactively, allowing for timely intervention and mitigation measures. Compliance with regulatory standards is facilitated by thorough monitoring and reporting, ensuring that the Company stays ahead of evolving requirements and maintains its environmental responsibilities.

Supply Chain Resilience

Assessing water risks within the supply chain involves evaluating how water scarcity or quality issues may impact the Company's suppliers and, consequently, its own operations. Collaborating with suppliers to enhance resilience involves sharing knowledge and best practices for sustainable water management. Implementing risk-sharing mechanisms ensures that both Zydus Lifesciences and its suppliers are prepared to deal with water-related disruptions, thereby minimising the potential impact on operations.

Climate Adaptation Strategies

Developing climate adaptation strategies involves preparing for the potential impacts of climate change on water resources, such as changes in hydrological patterns and increased frequency of extreme weather events. Infrastructure upgrades may include improving water storage or treatment facilities to withstand changing conditions. Diversification of water sources ensures that the Company is not overly reliant on one particular water source, reducing vulnerability to shortages or contamination. Scenario-based planning enables us to anticipate future risks and develop appropriate responses, ensuring continuity of operations even in challenging conditions.

Based on the findings of the water risk assessment study, the Company has taken proactive steps to address the top ten risks across sampled manufacturing locations. The major risks identified are water depletion, cultural diversity, baseline water stress, and freshwater biodiversity richness.



Climate Strategy

The commitment to reducing greenhouse gas (GHG) emissions is central to the Company's decarbonisation strategy, focusing on deploying energy-efficient technologies, transitioning to cleaner fuels, and enhancing supply chain sustainability to lower Scope 1 and Scope 2 emissions.

The scope 1 emissions include emissions from fuels consumed in operations and refrigerant leakage from air conditioning equipment. The scope 2 comprises emissions from purchased electricity and steam.

This year, emissions have been inventorised across 7 of the 15 Scope 3 categories as per the GHG Protocol, with a commitment to expanding efforts by assessing the remaining relevant categories, thereby enhancing environmental impact management and ensuring greater transparency in ESG initiatives. Among the 7 categories for which GHG emissions are calculated, Category 2 (Capital Goods), Category 6 (Business Travel), and Category 4 (Upstream Transportation and Distribution), Category 1 (Purchased goods and services), Category 15 (Investments) emissions are calculated using the spend-based method. Category 5 (Waste Generated in Operations) and Category 7 (Employee Commuting) emissions are calculated using waste-specific and distance/fuel-based methods, respectively.

Renewable Transition



To strengthen its commitment towards mitigating climate change in its operations, the Company has entered into an open-access power purchase agreement to procure 45 MW of Hybrid energy, combining solar and wind power, from a third-party provider. This strategic initiative supports the goal of achieving the strategic objective of Net Carbon Neutral by 2028 and a 45% reduction in greenhouse gas emissions for Scope 1 and Scope 2 by FY2029-30, using FY2020-21 as a baseline. The climate action targets are in alignment with the Intended National Determined Contributions (INDC) by the Government of India. For

FY2024-2025, the Company has successfully increased its renewable power procurement share by 91%, with purchases growing from 43,393 MWh to over 81,000 MWh compared to the previous year. Additionally, there was a transition from coal to biomass briquettes in the steam boilers, using over 42,000 metric tons of biomass fuel as the primary source for boiler operations, significantly reducing reliance on fossil fuels. The renewable energy generated from in-house installed solar power plant are over 600 MWh, for FY2025, that further enhances the renewable energy portfolio.

GHG Emissions (Scope 1, 2 & 3)

Total Scope 1, 2 and 3 Emissions					
Particulars	U.O.M	FY 2021- 22	FY 2022- 23	FY 2023- 24	FY 2024-25
Scope 1 Emissions	(tCO ₂ e)	64,935	49,890	50,422	49,176
Scope 2 Emissions	(tCO ₂ e)	2,19,847	2,01,244	1,83,287	1,94,805
*Scope 3 Emissions	(tCO ₂ e)	9,072	25,670	24,393	12,69,383
GHG (Scope 1 + Scope 2) Intensity	tCO ₂ e / Revenue in Million Rupee	2.17	1.68	1.36	1.19

GHG Emissions Highlights

- GHG Intensity reduction by 29% reduction in FY2024 -25 vs FY2022-2023
- GHG Intensity reduction by 12% reduction in FY2024 - 2025 vs FY2023-2024

*The significant increase in GHG Scope 3 emissions for FY2024-25 is primarily due to the rise in the number of reporting categories. Until FY2023-24, only two categories of Scope 3 were reported, whereas in FY2024-25, seven categories were included.

Due to an 10% increase in production volume, there is 06% rise in Scope 2 emissions for FY24-25. However, this increase has been effectively mitigated through a strong focus on renewable energy (purchased and generated) for improving in emission intensity. These efforts targeted improvement in emission intensity, have resulted in an abatement of ~35000 tCO₂e for the reporting year and 1 lakh tCO₂e over the last three years, reflecting a strong commitment to low-carbon growth. 100% of operations are covered for reporting the data of GHG Emissions Scope 1, 2 & 3.

GHG Emissions Reduction Targets for FY24-25

GHG Emissions (tCO ₂ e)	Target	Actuals	Savings / Reduction
Scope 01	57,117	49,176	7,941
Scope 02	2,07,623	1,94,805	1,58,447

Note: The data (Scope 01 and Scope 02) has been externally assured by a third-party agency named M/s Intertek India Private Limited.

Indirect Greenhouse Gas Emissions (Scope 3)

IGHG (Scope 3)	Unit	FY2021-22	FY2022-23	FY2023-24	FY2024-25	Target for FY2024-25
Total indirect GHG emissions (Scope 3)	metric tonnes of CO ₂ equivalents	9,072	25,670	24,393	12,69,383	12,80,000

Scope 3 Category	Emissions in the reporting year FY2024-25 (metric tonnes CO ₂ e)	Emissions calculation methodology and exclusions
Purchased goods and services	4,32,908	USEPA EEIO factors, CEDA
Capital goods	4,866	USEPA EEIO factors
Upstream transportation and distribution	7,86,609	USEPA EEIO factors, CEDA
Waste generated in operations	67	DEFRA UK
Business travel	32,515	ICAO
Employee commuting	636	DEFRA UK, USEPA EEIO factors
Investments	11,781	CEA, USEPA EEIO factors

The Company's Scope 3 GHG emissions are verified and assured by independent third-party M/s Intertek India Pvt. Ltd. The assurance statement for Scope 3 GHG emissions can be seen on Page No. 144-146 of the ESG Report FY24-25.

Climate Governance

Climate Governance is an integral part of the broader ESG governance structure, ensuring that climate-related risks and opportunities are embedded into strategic decision-making. This can be referred from page no. 11-12 of the ESG Report highlighting the Company's commitment to responsible environmental stewardship.

Climate Related Management Incentives

All employees, who are part of various ESG groups and committees, responsible for driving ESG related agenda have 5% to 7% of their KRA weighted towards ESG related KPI's and their performance. This acts a monetary incentive for the concerned employees to actively work towards achieving ESG targets.

- a. **Performance-linked Green Incentive:** The climate-related issues are part of employees' and Business Unit Heads (BU) Key Responsibility Areas (KRA)/goals wherein they prepare strategy and action plan to reduce energy consumption and reduction in emissions. Although the KRA's are reviewed biannually as per the Company HR policy, but internal departmental reviews on climate-related targets (reduction in energy consumption and GHG emissions) are conducted with BU Heads on monthly frequency basis. The employees and concerned BU Heads are incentivised by providing bonus or in the form of improved financial remuneration based on achieving climate-related targets through monetary benefits, i.e., increments or promotions. The Employees and BU Heads of Supply Chain function are also incentivized with targets for adopting sustainable purchase practices, i.e., purchase of Renewable Energy.
- b. **Energy Efficiency Awards:** The Company conducts an annual energy excellence award wherein the formulation units are categorized into two groups, i.e., large volume units (power budget >10 GWh) and small units (power budget < 10 GWh). The formulation business's respective plants (sites) are evaluated on transparent criteria, and O2 awards, i.e., Winner and Runner-up are given to the plants in both categories. The team receiving recognition from senior management becomes highly motivated to continue their good work on climate-related initiatives and targets.
- c. **Employee Recognition Programme:** The Company is committed to creating a committed workforce who thrive in an inclusive and exceptional working environment. As a people centric organisation, the central approach to management of human capital is based on foundations of ethics, inclusivity, diversity, recognition, and wellbeing. The Company's endeavour is to build a proactive skill-based workforce, a necessary asset to achieve its ambition of sustainable value creation.

The Company has institutionalised the following employee recognition programme to appreciate its employees for their exceptional contributions to ESG initiatives:



- i. **Zydus STARS:** The Company conducts an annual employee recognition programme called Zydus STARS (Special Thanks And Recognition System). This special annual event honours the employees who have delivered significant outcomes beyond their conventional responsibilities, including ESG-related topics such as climate change. The Zydus "STARS" are recognised in the presence of the Company's top management and also receive a token of monetary incentive.
- ii. **Champion of the Month:** As part of its continuous recognition efforts, the Company recognises its employee as "CHAMPION" on a monthly basis in the esteemed presence of their respective BU Heads. This programme encourages employees to contribute meaningfully to the organisation's broader ESG objectives and targets, including climate change mitigation.
- d. **Sustainability Certifications:** The Company encourages employees to obtain sustainability-related certifications, i.e. Confederation of Indian Industry CII - certified Sustainability assessor, certified Global Reporting Initiative (GRI) professional, CII certified professional on resource efficiency and environment sustainability, Certification programme on BRSR , EHS regulations and requirements - Lead auditor / Internal auditor on ISO 14001 (Environment Management System), ISO 50001 (Energy Management Systems) and ISO 45001 (Occupational Health and Safety Management System) not only enhances their skills but also contribute to drive Company's sustainability journey.
- e. **Environment Month Celebration:** The Company extends celebration of world environment day to "Environment Month" to raise awareness about environmental issues (Climate Change, Waste Management) and promote eco- friendly practices. The Company organizes various competitions like Slogan competitions, Quiz competitions and puzzle competitions on environment themes. The competition's winners are incentivized by recognition in the form of prizes.
- f. **Idea Generation:** The Company has a "Strategic Lean Integrated Manufacturing (SLIM)" idea portal where all improvement



ideas are logged and subsequently approved by the concerned personnel. The Company encourages all employees to generate energy conservation ideas and log them in the SLIM portal. Employees get rewarded for approval and successful implementation of energy conservation (Encon) and water conservation ideas. More than 1,300 employees have been facilitated for their continuous efforts on energy and water conservation.

Climate Risk Management

The Company recognises that systematic risk management is essential for achieving business objectives and sustaining long-term growth in the face of market volatility. To reinforce this approach, climate-related risks and opportunities are embedded within multi-disciplinary, company-wide enterprise risk management (ERM) processes, alongside other sources of risk and opportunity. The Company's risk management framework is designed to systematically identify, assess, monitor, and mitigate strategic, operational, financial, and compliance-related risks. It promotes a collaborative methodology for risk identification, prioritisation, response, and monitoring, with periodic updates provided to the Audit Committee, Risk Management Committee, and Board of Directors for informed decision-making and risk mitigation.



Under the leadership of the Chief Risk Officer, the framework is deployed across the organisation, enabling employees and stakeholders to escalate identified risks. The risk management policy also integrates ESG factors, including climate-related risks, which are classified based on their likelihood of occurrence within a specified time horizon.

The Company's risk identification and evaluation process draws on a holistic approach to incorporating stakeholder perspective, analysis of megatrends, internal & external business environment for risk identification and assessment.

Based on the analysis, the following broad areas with various risks are identified and their probability of occurrence is assigned based on the information available in the public domain or with the Company:

- Economic conditions (global as well as the countries in which the Company has operations)
- Political developments and likely changes in major policies of the Governments of the countries in which the Company operates
- Market related risks
- Environmental, Social and Governance (ESG) factors (including climate change risks, including physical and transition risks)
- Outbreak of Global Pandemic like Covid-19
- Fluctuations in rates of the Company's functional currencies
- Inflation and cost structures
- Technological obsolescence
- Vulnerabilities in digital infrastructure and cyber threats
- Financial reporting
- Corporate accounting fraud
- Compliance with local laws, rules, and regulations
- Delay in approval of critical new products, impacting future growth prospects
- Challenges with respect to maintaining the quality of products and services
- Project quality, implementation, and delay in commissioning
- Human resources management, local cultures, and values

The likelihood of occurrence of a risk is assessed using a combination of industry-wide historical data, the Company's prior experiences, and anticipated future developments derived from internal assessments and/or external research. The impact of risk is measured in terms of both financial consequences and broader non-financial effects.

As part of its climate strategy, the Company intends to conduct a comprehensive assessment of climate risks across its value chain, encompassing its manufacturing locations, upstream suppliers, and downstream distribution activities. This initiative will enable the Company to better understand exposure across value chain stages and support strategic actions to mitigate climate-related risks.

The risk management policy can be referred here: [www.zyduslife.com/public/pdf/Companypolicy/Risk Management-Policy.pdf](http://www.zyduslife.com/public/pdf/Companypolicy/Risk%20Management-Policy.pdf)

Climate Risk Assessment

The Company has utilised Climate Impact Explorer, developed by Climate Analytics, a climate scenario-based scientific analysis tool, to identify, assess and analyse the climate change-related risks associated with its operations. This platform facilitates the analysis of the physical climate risk scenarios using Representative Concentration Pathway (RCP) 2.6 (low emission), RCP 4.5 (medium emission), RCP 6.0 (high emission), RCP 8.5 (very high emission) pathways (equivalent to 1.7-3.2 Deg C) for assessing the operating site risks and impacts.

The scenario analysis examined the projected changes in climate change issues, including maximum temperature, monthly rainfall, severe flood likelihood, and land areas projected to fall below annual sea level thresholds. The climate projections were conducted for the short-term, medium-term, and long-term, i.e., for a period covering 2020-2080. The Company has identified the physical and transition risks of climate change and assessed their impacts relevant to its operations. The transition risks pathways were evaluated using Network for Greening the Financial System (NGFS) scenarios.

Based on the findings of the climate risk assessment, adaptation and mitigation measures aligned to TCFD framework were identified, and a strategic action plan has been developed. The Company's risk assessment and plan to adapt to physical climate risks cover 100% of operations under its full operational control. The risk mitigation plan embeds specific targets and a detailed action plan, including defined timelines (5-10 years) for the execution of emissions-reduction measures. The physical risk assessment and mitigation plan also extend to all newly acquired assets, which account for less than 5% of total emissions for FY2024-25, and are reviewed at regular intervals. The plan includes a target to implement relevant adaptation measures within the prescribed timeline for existing operations.



Physical climate risk assessment and adaptation

Sl. No.	Risk Category	Risk Type	Impact Sites	Impact	Opportunities	Mitigation
1	Physical Risk (Acute) Risk level: Low	Drought	Vadodara, Gujarat	a. Reduced access to ground water with-drawal to change in regula-tions b. Increased cooling costs	Efficient use of water resources	- Adopting a Zero Liquid Discharge (ZLD) approach to recycle, reuse water resources, and reduce freshwater intake. - Use of water efficient technologies. - Sensitising stakeholders to reduce water consumption. - Increase of water recycle to reduce the fresh intake. - Strategies efforts on net water neutrality.

Sl. No.	Risk Category	Risk Type	Impact Sites	Impact	Opportunities	Mitigation
2	Physical Risk (Chronic) Risk level: Low-Medium	Extreme Rainfall	Baddi, Himachal Pradesh, Goa	a. Loss and damage of inventory b. Supply chain disruption	Building resilient infrastructure	- Building new infrastructure by incorporating climate impact i.e. extreme rainfall and its mitigating procedures. - Improving monsoon management procedures and plans to address exposure. - Installation of an early warning system.
		Heat Wave	All locations	Increase in cooling costs	Use of more energy efficient equipment	- Generation of solar power at manufacturing locations to reduce grid power consumption of higher tariff. - Select and purchase of energy-efficient equipment/technology. - Purchase of hybrid energy to reduce GHG Emissions and reliance on fossil-fuel based grid power. - Improving energy efficiency /operational efficiency of energy consuming equipment to reduce energy consumption.
3	Physical Risk (Chronic) Risk level: Low	Coastal Floods	Goa	a. Inventory loss b. Significant impact on supply chain disruption	Resilient infrastructure	- Conducting capacity building activities and mock drills to enhance emergency preparedness and response. - Collaborating with industry peers and local government bodies (disaster management agency) for emergency support. - Development of flood protection strategies such as the construction based on cost-benefit analysis.

Sl. No.	Risk Category	Risk Type	Impact Sites	Impact	Opportunities	Mitigation
4	Physical Risk (Chronic) Risk level: Medium	Water Stress	Vadodara, Gujarat	a. Increased water sourcing costs b. Operation and maintenance problems	Enhanced water efficiency	- Adopting a Zero Liquid Discharge (ZLD) approach to recycle, reuse water resources, and reduce freshwater intake. - Use of water efficient technologies. - Sensitising internal and external stakeholders to reduce water consumption. - Strategic efforts on net water neutrality.
5		Earthquake	Operational sites in Gujarat	a. Disruption in plant operations b. Supply chain disruption	Resilient infrastructure	- Conducting capacity building activities and mock drills to enhance emergency preparedness and response. - Collaborating with industry peers and local government bodies (disaster management agency) for emergency support. - Development of earthquake resilient strategies and infrastructure.



Transition risk assessment and adaptation

Sl. No.	Risk Category	Risk Type	Impact	Opportunities	Mitigation
1	Transition Risk (Policy, Legal, Emerging & Current Regulations) Risk level: Low- Medium	- Enhanced emissions reporting obligations. - Carbon pricing mechanism and carbon taxation.	a. Increased cost of waste disposal b. Increased regulatory costs c. Increase cost of utilities and operations	- Investments in renewable energy resources. - Promote energy efficient buildings and facilities. - Improved waste management by increasing co-processing of waste.	- Disposal of waste in a responsible manner. - Complying with applicable regulations for waste generation and disposal. - Implementing initiatives for reducing direct and indirect GHG emissions, aligning with the Company's target for reducing GHG emissions (Scope 1 and Scope 2) by 45% and 50% energy requirements from renewable sources by 2030. - More emphasis on reduction of waste generation. - Increase in renewable energy quotient in purchase energy by doing power purchase agreements to get hybrid RE. - Increase in biofuel / hybrid fuel utilisation to minimise the dependency on conventional fuel i.e., coal/diesel etc. to reduce emissions. - Implementation of energy efficient technologies.
2	Transition Risk (Technology) Risk level: Low	Increase in CAPEX and OPEX due to transition towards low emissions technology	a. Increased capital investment. b. Research and development (R&D) expenditures in new and alternative energy efficient technologies.	Resource efficient technologies to reduce energy consumption.	- Invested in wind-solar hybrid power in its Gujarat based locations to increase its renewable energy mix. - Explore opportunities to implement energy efficient or low carbon projects on ESCO model.
3	Reputational risk Risk level: Low	- Negative external feedback. - Increased stakeholder concern. - Stigmatisation of sector (e.g. extractive sector)	a. Reputation damage for not meeting the stakeholder demand.	- Improved reputation. - Improved stakeholder engagement on ESG.	- Adoption of a comprehensive code of business ethics, and conduct. - Adoption of Anti-bribery and corruption policy. - Governance policies for ethical marketing, advertising, and sales practices. - Establishment of robust quality management system. - Establishment of ESG (Environment, Social, Governance) policy.

Sl. No.	Risk Category	Risk Type	Impact	Opportunities	Mitigation
4	Transition Risk (Market Risk) Risk level: Low	- Changing customer behaviour - Uncertainty in market signals - Increased cost of raw materials	- Higher costs due to stricter sustainability standards and certifications. - Supply chain disruptions if suppliers fail ESG compliance. - Reputational damage from unsustainable practices. - Loss of market share as customers prefer sustainable products.	- Enhanced brand reputation and customer trust. - Access to new markets and partnerships focused on sustainability. - Greater supply chain resilience. - Cost savings from resource efficiency and long-term sustainable contracts.	- Creating multiple supplier base for critical products and services. - ESG compliant value chain partners (39% sustainable sourcing in FY2025). - Investment in hybrid energy for greening the operations. - Explore & implement energy efficient and low carbon solutions, projects.

Financial Risks and Opportunities of Climate Change

Risks driven by change in physical climate parameters or other climate-change related developments	
Description of Risk and Mitigation Measures	The findings of physical climate risk assessment highlight that the change in the weather patterns, rise in temperature, change in rainfall pattern and various other factors may result in unexpected flooding of the Company's manufacturing plants. Based on internal estimates, an investment amount for additional insurance of approximately INR 450,000,000 – 550,000,000 will be required to mitigate risks related to floods on an annual basis over next 15 years.

Financial Opportunities Arising from Climate Change	
Description of Risk and Mitigation Measures	Climate change while posing risk to the Company's operations provides an opportunity to evaluate energy consumption and source of energy. The Company has implemented several energy conservation initiatives at manufacturing plants and installed renewable energy plants to meet energy requirements. Also, the Company has invested significantly to purchase renewable energy in order to reduce its overall carbon footprint and ensure its readiness any future regulation related to energy usage/ carbon emissions. In FY2024-25, the Company had invested INR 267.87 million on Energy conservation measures and new energy efficient technologies. Annual electrical energy savings of 1769.26MWh and 128MT (coal saving) with the financial saving of INR 10,616 million are expected to be realized by the organisation over the next 15 years.

Environment Targets

The Company has set a target to reduce its GHG emission (Scope 1 and 2) intensity by 45% by FY2030 with a base year of FY2021-22 and to achieve 50% of energy requirements from renewable sources. The target taken by the Company is aligned with India's Intended Nationally Determined Contribution (INDC) emission intensity reduction targets approved by Govt. of India in 2022.

Sr. No.	KPI	Target	Metric	Target year	Performance as on 2024-25
1	GHG emission	45% reduction in GHG Intensity with baseline of FY2021-22 (Scope 1 + Scope 2)	tCO ₂ /million rupees of revenue	2030	58% reduction in GHG Intensity achieved w.r.t the baseline (FY 2022) ~130% of the GHG intensity target is achieved by FY 2024-25
		Carbon neutrality in operations (scope 1 and 2 emissions)	tCO ₂	2035	39% renewable energy in total energy mix
		50% of energy requirement from renewable sources	MWh (%)	2030	78% of renewable energy target is achieved by FY 2024-25
2	Water management	Net Water Neutrality	Kiloliters	2028	21% reduction specific water consumption - Creation of water recharge structures in progress
3	Waste management	Waste disposal via co-processing upto 40% for India operations	% MT (metric ton) of waste	2026	35% waste disposal via co-processing 88% of the target is achieved by FY 2024-25

The Company's emission reduction target covers 100% of its reported Scope 1 and Scope 2 emissions.



Emission Reduction Targets

Zydus Lifesciences Limited is committed to advancing environmental sustainability through targeted reductions in greenhouse gas (GHG) emissions across its operations. As part of its climate action strategy, the Company has set measurable goals to reduce Scope 1 and Scope 2 emissions, using FY2022 as the baseline year and 2,84,782 tCO₂e as the baseline emissions. These goals focus on optimising energy consumption, transitioning to renewable energy sources, and enhancing operational efficiencies. The Company's efforts are aligned with global sustainability frameworks and reflect its dedication to responsible manufacturing, low-carbon growth, and long-term environmental stewardship. The Company continues to monitor and report its progress transparently, reinforcing its role as a conscientious leader in the pharmaceutical sector.



Sr. No.	Target type	Target value	Metric	Alignment with National/ Global/Corporate Commitments	Target year	Performance as on 2024-25
1	Specific (relative/ intensity) GHG reduction targets	45% reduction in GHG Intensity with baseline of FY2021-22 with value of 2.17 (Scope 1 + Scope 2)	tCO ₂ /million rupees of revenue	Aligned with Intended Nationally Determined Contribution (INDC) and two of the five nectar elements (Panchamrit) of India's Climate action plan	2030	45% reduction in GHG Intensity achieved w.r.t the baseline (FY 2022) 100% of the GHG intensity target is achieved by FY 2024-25
2	Absolute GHG emission reduction target	50% of energy requirement from renewable sources	tCO ₂		2030	78% of renewable energy targets are achieved by FY 2024-25
3	Absolute GHG emission reduction target	Carbon neutrality in operations (scope 1 and 2 emissions) of baseline year FY2021-22 with value of 2,84,782	tCO ₂	Zydus Lifesciences Limited ESG goal	2035	39% renewable energy in total energy mix

For more details regarding Panchamrit, please refer the following link: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1795071>

Alignment with TCFD

Zydus is aligned with TCFD guidelines for the climate-related disclosures. The details on TCFD disclosures can be found in the following pages:

Sr. No.	Disclosure	TCFD disclosure	Section	Page
1	Disclose the organisation's governance around climate related issues and opportunities	Governance 1: Describe the board's oversight of climate-related risks and opportunities.	ESG Governance Structure	11-12
		Governance 2: Describe management's role in assessing and managing climate-related risks and opportunities.		
2	Disclose the actual and potential impacts of climate related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material.	Strategy 1: Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Climate Risk Assessment	72-76
		Strategy 2: Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.		
		Strategy 3: Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		
3	Disclose how the organisation identifies, assesses, and manages climate-related risks.	Risk Management 1: Describe the organisation's processes for identifying and assessing climate-related risks.	Climate Risk Management	71
		Risk Management 2: Describe the organisation's processes for managing climate-related risks.		
		Risk Management 3: Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.		
4	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Metrics and targets 1: Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.	Environment Targets	77
		Metrics and targets 2: Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	GHG Emissions (Scope 1, 2 & 3)	68
		Metrics and targets 3: Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.	Environment Targets	77

Internal Carbon Pricing

Internal Carbon Price contribution towards climate commitments and/or climate transition plan

As part of its commitment to global climate action, the Company has undertaken a series of strategic initiatives aimed at reducing greenhouse gas emissions across its operations. The Company's commitment toward combating climate change starts from establishing a ESG Policy wherein it has emphasised on maximising the use of renewable energy sources to reduce its GHG emissions, adopt cleaner technologies and energy efficient practices to improve energy efficiency, reduce energy consumption and carbon footprint.

In adherence to the Company's ESG policy the Company has finalised relevant energy metrics and benchmarking frameworks for continuous improvement in energy efficiency.

The Company's energy efficiency and energy management journey is well poised with requirements of ISO 50001 (Energy Management system) which required involvement from Top Management to all employees for reduction in energy consumption.

The engineering team leads the process of identifying energy conservation opportunities by having internal and external energy audits, rationalising/budgeting energy consumption as per requirements, and executing energy conservation (encon) measures. These Encon measures have resulted significant saving in energy (Fuel and Electrical) reduction in carbon emissions, improved cost efficiency, yield improvement, streamlined processes, and improvement in overall productivity.

In alignment with its long-term sustainability vision, the Company has developed a comprehensive roadmap to achieve carbon neutrality for Scope 1 and Scope 2 emissions by 2035. This roadmap is structured around the following strategic pillars:

a) Transition to Renewable Energy

The Company is committed to transitioning to 100% renewable energy to address Scope1 and Scope 2 emissions. The renewable energy portfolio includes rooftop solar installations, captive power joint ventures, third-party solar and hydel power purchase agreements (PPAs), transition from coal to biomass, boilers.

b) Energy efficiency

Energy efficiency remains a core focus area, supported by a robust framework for measuring and reporting improvements. Site-level initiatives have been implemented to enhance energy productivity, including energy audits, replication of identified opportunities, and operational excellence projects targeting asset and process efficiency.

c) Eco friendly Fuel – Scope 1 Reduction

To reduce Scope 1 emissions, the Company is actively transitioning to cleaner fuel alternatives. This includes phasing out coal in boilers with biomass and exploring alternative biomass sources such as rice husk and sawdust briquettes. The Company continues to adopt advanced green technologies to support this transition.

d) Carbon Sequestration

Recognising the urgency of addressing greenhouse gas emissions, the Company intends to invest in carbon sequestration through afforestation efforts—both within and beyond its operational boundaries—and promote climate-smart sustainable agriculture practices.

To evaluate and prioritise energy conservation projects, the Company aims to apply Internal Carbon Pricing (ICP) as a key decision-making metric. This approach would enable projects to meet its internal hurdle rate, based on Payback Period (PBP), thereby facilitating broader implementation of initiatives aligned with the Company's emission reduction targets.

The Internal Carbon Pricing (ICP) is done by the Company with an objective to conduct cost-benefit analysis of energy efficiency projects, drive energy efficiency to reduce operational cost, drive low-carbon investments to reduce overall carbon impact, incentivise consideration of climate-related issues in decision making to long term resilience against climate issues, incentivise consideration of climate-related issues in risk assessment, identify and seize low-carbon opportunities, influence strategy and/or financial planning, stakeholder expectations for low carbon footprint of operations, navigate regulations on carbon emissions, setting and/or achieving of climate-related policies and targets.

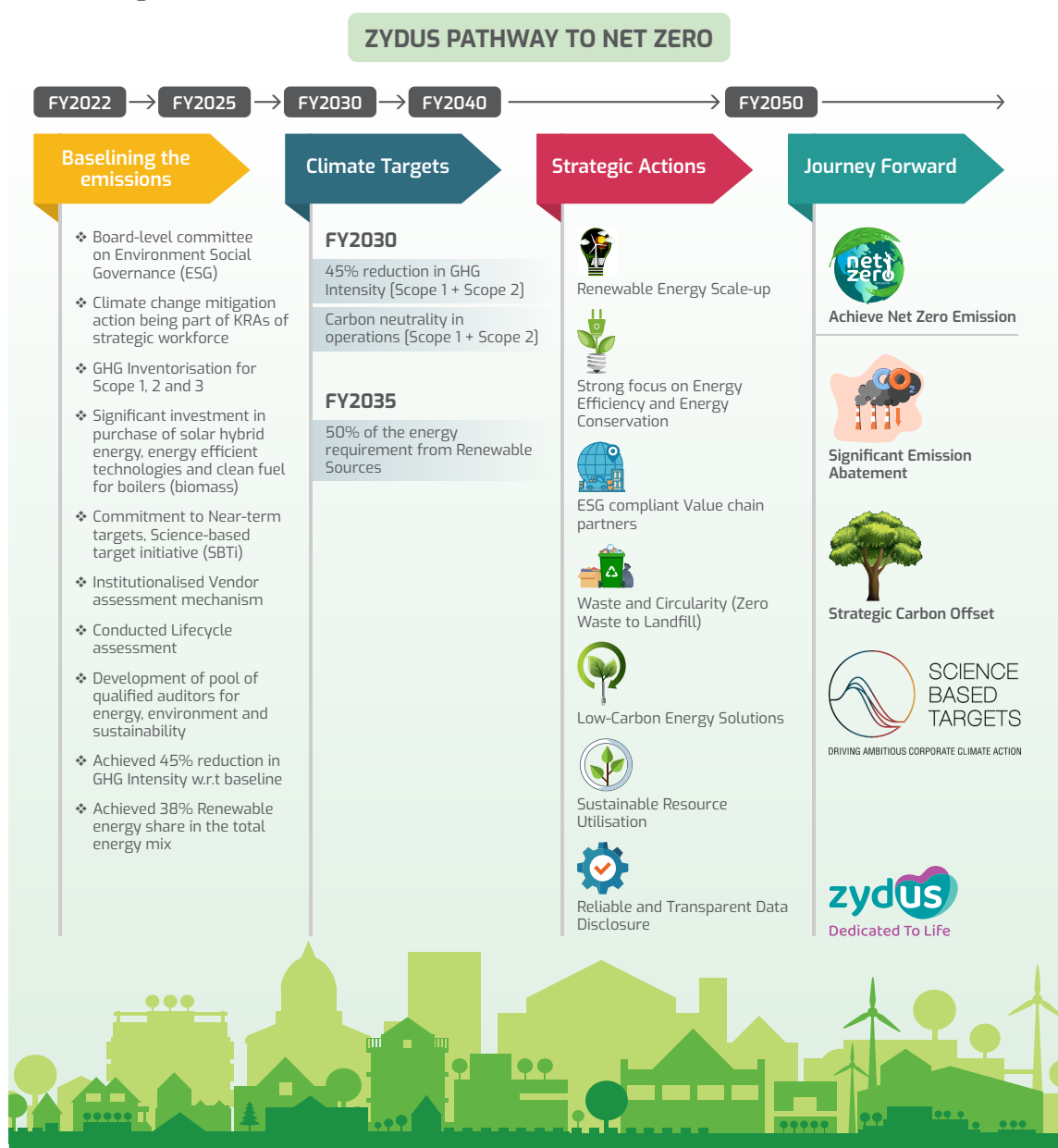
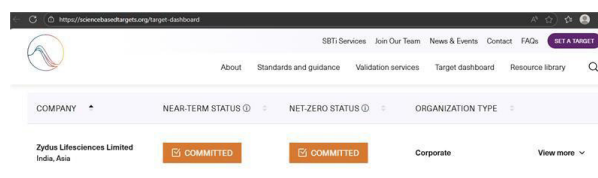
For the year FY2024-25, the Company internal carbon price (ICP) stands out to be ₹ 7387/ tCO₂e (\$ 86.43/ tCO₂e), helping the Company to adopt a climate change aligned financial model for the major investments in future. The internal carbon price reported here represents the implicit price that covers Scope 01 and Scope 02 emissions across all business decision-making processes within the Company. The Company has determined its implicit carbon price by using the cost of required measures to achieve the emission reduction targets and benchmarking of peers.

Net Zero Commitment

The Company has outlined a robust sustainability framework aimed at achieving Net Zero greenhouse gas emissions by the year 2050. This long-term plan includes clearly defined milestones, strategic initiatives, and investment priorities, all grounded in the latest climate science and aligned with internationally recognised environmental standards.

Using FY2022 as the reference year, with baseline emissions recorded at 2,84,782 tCO₂e, the Company is focused on reducing Scope 1 and Scope 2 emissions through near-term targets and gradually achieving Net Zero emissions by strategic efforts on energy efficiency measures, purchasing carbon credits and renewable energy certificates (REC) increased adoption of renewable energy, and operational enhancements. These actions reflect the Company's commitment to environmental responsibility, resilience in business operations, and value creation for stakeholders. Zydus continues to track its progress transparently, reinforcing its leadership in sustainable practices within the pharmaceutical industry.

The Company's commitment to reducing greenhouse gas (GHG) emissions—both through its near-term targets and long-term Net Zero ambition—has been formally accepted by the Science Based Targets initiative (SBTi) and can be seen at the following link: <https://sciencebasedtargets.org/target-dashboard>. This marks a significant milestone in aligning the Company's climate strategy with globally recognised standards and reinforces its dedication to science-driven, sustainable growth.



Biodiversity Risk Assessments

The Company undertook an assessment of its Indian operations in FY 2024-25 to assess nature related risks and identify the impacts and dependencies on biodiversity. The biodiversity risk assessment was conducted through WWF Biodiversity Risk filter tool which is aligned to the Taskforce on Nature-related Financial (TNFD) framework. This tool enabled the Company to assess the state of biodiversity health at specific operating locations, considering factors such as ecosystem diversity, species abundance, and the provision of ecosystem services.

The WWF Biodiversity Risk Filter facilitated a systematic evaluation of two primary types of biodiversity-related risks i.e. physical and reputational across the operations, value chain, and investments, elucidating both direct impacts and dependencies of each industry sector. The WWF Biodiversity Risk Filter (BRF) helps companies and financial institutions assess and respond to biodiversity-related risks across their operations, supply chains, and investments.

The WWF Biodiversity Risk Filter (BRF) methodology is structured on following process:

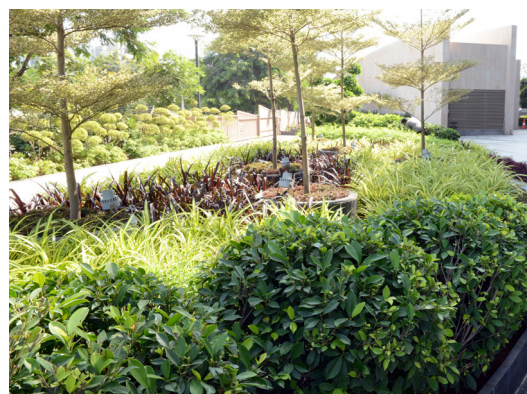
- **Inform** – Understand biodiversity and its relevance to business.
- **Explore** – Visualize biodiversity risks using geospatial data.
- **Assess** – Evaluate biodiversity-related risks across operations and supply chains.

The Company has integrated biodiversity risk into its multi-disciplinary, Company-wide risk management processes, i.e., Enterprise Risk Management (ERM) which ensures that environmental considerations are embedded across strategic, operational, and financial decision-making.

By aligning biodiversity risk assessments with frameworks like enterprise risk management (ERM), ESG reporting, and supply chain due diligence, the Company can proactively identify dependencies and impacts on nature that may pose physical, reputational, or regulatory risks. This holistic approach fosters cross-functional collaboration to prioritise mitigation actions, enhance resilience, and meet emerging stakeholder and regulatory expectations.

Table 01: Potential Dependency of Zydus Lifesciences Limited (A screening result of WWF Biodiversity Risk Filter)

WWF BRF INDICATORS	Ahmedabad (Gujarat)	Baddi (H.P.)	Dabhaha (Gujarat)	Goa	Ambernath (Maharashtra)	Ankleshwar (Gujarat)	Daman	Sanand (Gujarat)	Sikkim	Vadodara (Gujarat)
Scape Physical Risk	H	H	H	H	M	H	H	H	H	H
1. Provisioning Services	H	H	H	H	H	H	H	H	H	H
1.1 Water Availability	H	H	H	H	H	H	H	H	M	H
1.2 Forest Productivity and Distance to Markets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1.3 Limited Wild Flora & Fauna Availability	H	H	H	H	H	H	H	H	H	H



WWF BRF INDICATORS	Ahmedabad (Gujarat)	Baddi (H.P.)	Dabhaha (Gujarat)	Goa	Ambernath (Maharashtra)	Ankleshwar (Gujarat)	Daman	Sanand (Gujarat)	Sikkim	Vadodara (Gujarat)
1.4 Limited Marine Fish Availability	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2. Regulating & Supporting Services - Enabling	H	H	M	M	M	H	M	M	H	M
2.1 Soil Condition	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2.2 Water Condition	H	H	M	M	M	H	M	M	H	M
2.3 Air Condition	H+	H+	H+	H	H+	H+	H+	H+	H	H+
2.4 Ecosystem Condition	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2.5 Pollination	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3. Regulating Services - Mitigating	H	H	H	H	M	H	H	H	M	H
3.1 Landslides	L	L	L	H	L	L	H	L	H	L
3.2 Wildfire Hazard	M	H	M	M	M	M	M	M	M	M
3.3 Plant/ Forest/ Aquatic Pests and Diseases	H	H	H	H	H	H	H	H	H	H
3.4 Herbicide Resistance	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3.5 Extreme Heat	H	H	H	H	H	H	H	H	L	H
3.6 Tropical Cyclones	M	L	M	M	M	M	M	M	L	M
4. Cultural Services	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4.1 Natural & Cultural Resources	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Additional Reputational Factors	M	M	M	M	M	M	M	M	M	M
5.1 Media Scrutiny	M	M	M	M	M	M	M	M	M	M
5.2 Political Situation	L	L	L	L	L	L	L	L	L	L
5.3 Sites of International Interest	H	H	H	H	L-	L-	L-	H	H	H
5.4 Risk Preparation	L-	L-	L-	L-	L-	L-	L-	L-	L-	L-

H.P.: Himachal Pradesh

Table O2: Potential Impact of Zydus Lifesciences Limited (A screening result of WWF Biodiversity Risk Filter)

WWF BRF INDICATORS	Ahmedabad (Gujarat)	Baddi (H.P.)	Dabhasa (Gujarat)	Goa	Ambernath (Maharashtra)	Ankleshwar (Gujarat)	Daman	Sanand (Gujarat)	Sikkim	Vadodara (Gujarat)
6. Pressures on Biodiversity	M	M	M	L	M	M	L	M	M	M
6.1 Land, Freshwater and Sea Use Change	L	L	L	L-	L	L	L-	L	L	L
6.2 Forest Canopy Loss	L-	L-	L-	L-	L-	L-	L-	L-	L-	L-
6.3 Invasives	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6.4 Pollution	H+	H+	H+	H+	H+	H+	H+	H+	H+	H+
Scape Reputational Risk	M	M	M	M	M	M	M	M	M	M
7. Environmental Factors	L	L	L	M	L-	L-	L-	L-	M	L
7.1 Protected/ Conserved Areas	L	L	L	L	L	L	L	L	M	L
7.2 Key Biodiversity Areas	L	L	L-	M	M	L	L	L	M	L-
7.3 Other Important Delineated Areas	L-	L-	L-	L	L-	L-	L-	L-	L	L-
7.4 Ecosystem Condition	L	L	L	M	L	L	L	L	L	L
7.5 Range Rarity	L-	L	L-	M	L	L-	L	L-	M	L-
8. Socioeconomic Factors	M	M	M	M	M	M	M	M	M	M
8.1 Indigenous Peoples (IPs); Local Communities (LCs) Lands and Territories	M	M	M	M	M	M	M	M	M	M
8.2 Resource Scarcity: Food - Water - Air	M	M	M	L	M	M	M	M	L	M
8.3 Labor/ Human Rights	M	M	M	M	M	M	M	M	M	M
8.4 Financial Inequality	L	L	L	L	L	L	L	L	L	L

H.P.: Himachal Pradesh

The assessment covered 32 manufacturing units, offices, and their adjacent areas across India to identify potential biodiversity risks, impacts, and dependencies. The operational sites collectively account for over 95% of the environmental

and social footprint of the Company's drug and pharmaceutical business, encompassing key metrics such as energy and water consumption, waste generation and management, and workforce size. Additionally, the Company assessed and mitigated risks by adhering to the mandates outlined by the International Union for Conservation of Nature (IUCN) Red List and National Conservation List.

None of the Company's operations have been found to have any species listed in the International Union for Conservation of Nature (IUCN) Red List and National Conservation List in or around it. Additionally, all of its operational units are located outside biodiversity sensitive or notified protected areas. All new units and retrofitting/expansion of existing units are undertaken in strict alignment with the Biodiversity Act 2002 and Biodiversity Rules 2024. Furthermore, the Company makes concentrated efforts to develop and enhance the existing green belt in and around operations in line with legal requirements, and as a measure to reduce carbon from the air.

The findings of the biodiversity risk assessment study highlighted several key risk factors across operational sites. Pollution, extreme heat, water scarcity, limited wild flora and fauna availability, and the presence of plant/forest/aquatic pests and diseases emerged as the top risks. These risks are consistent across all assessed locations, emphasizing the need for proactive measures.

RISK TYPE	IDENTIFIED RISKS	MITIGATION MEASURES
Physical Risk A Company's operations and value chain can be at risk if they rely heavily on ecosystem services from areas experiencing a decline, or if their activities contribute to biodiversity pressures.	1. Pollution Pollution emerges as the most significant biodiversity risk across all locations.	1. Pollution Abatement - Implementing sustainable technologies and practices to reduce emissions and minimise environmental pollution. - Ensuring 100% compliance with all applicable pollution prevention and control measures as per regulatory authorities.
	2. Extreme Heat Extreme heat is another major biodiversity risk, with high scores indicating the potential impact on local ecosystems and wildlife.	2. Energy consumption/GHG emission reduction - Strategising efforts to reduce energy consumption and focus on energy conservation measures to combat the global issue of climate change. - Increasing renewable energy contribution in total energy mix to reduce the dependency on fossil fuels.
	3. Water Scarcity Water scarcity is a significant concern in several highlighting the importance of water conservation measures to protect biodiversity.	3. Water Conservation - Strategising efforts to reduce water consumption and focus on water conservation measures across operational units to address the challenge of drought/ water scarcity. - Increase in water recycling and reuse in non-critical applications to reduce dependency on freshwater intake thereby making contributions to water conservation. - Creating rainwater harvesting structures and facilities to achieve the organisational ESG goal of Net water neutral.

RISK TYPE	IDENTIFIED RISKS	MITIGATION MEASURES
	4. Limited Wild Flora and Fauna Availability The availability of wild flora and fauna is limited across various locations, posing a threat to biodiversity conservation efforts.	4. Habitat Restoration Strengthening green belts and increasing tree plantations to broaden natural habitats and support biodiversity conservation.
	5. Plant/Forest/Aquatic Pests and Diseases The presence of plant/forest/aquatic pests and diseases is identified as a notable indicating potential threats to local ecosystems and biodiversity.	5. Sustainable sourcing and business continuity - Creating multiple supplier base for critical plant-based products and services to maintain business continuity. - Implementing mechanisms to check statutory compliances along with crop health measures implemented by the vendors.
Regulatory Risk A Company faces regulatory risk when operating in unstable regulatory environments or failing to comply with existing regulations, leading to fines or restrictions.	Non-compliance regarding: - Wastewater treatment and discharge - Ground water consumption - Waste Management and disposal - Timely reporting on above topics to the concerned regulatory authorities	Structured EHS Mechanism: - Established facilities for treatment of wastewater and its discharge as per regulatory norms. - Established ISO 14001 (Environment Management System) and Waste Management and Disposal mechanism as per the requirements of Pollution Control Board. - Established corporate and site EHS function that ensures compliances to all applicable regulatory norms, promotes sustainable practices and ensures timely reporting of environmental performance to the regulatory authorities.
Reputational Risk A Company's reputation is at risk if stakeholders perceive its operations as unsustainable regarding biodiversity. This risk is heightened by factors like media attention, conflicts, and proximity to protected areas.	1. Media Scrutiny It requires proactive communication, transparent practices, and genuine commitment to environmental stewardship. 2. Investor and Shareholder Pressure ESG-focused investors may divest or demand stronger biodiversity safeguards.	Transparency in public reporting by: - Disclosure on Biodiversity Risk Assessment using WWF Biodiversity Risk Filter tool. - Publication of ESG targets, initiatives and performance in alignment with global frameworks in the Integrated Annual Report and ESG Report.

RISK TYPE	IDENTIFIED RISKS	MITIGATION MEASURES
	3. Sites of International Interest Sites of international interest in biodiversity risk assessment are areas recognised globally for their ecological significance, vulnerability, or conservation value, i.e., Wildlife Sanctuaries etc. or sites under IUCN and UNESCO World Heritage Sites.	None of the Company operations are in ecological sensitive zone or area or have been found to have any species listed in the International Union for Conservation of Nature (IUCN) Red List and National Conservation List in or around it.

In FY2024-25, the Company expanded green belt coverage at its manufacturing & office locations by planting more than 5,615 trees significantly contributing towards carbon sequestration and habitat preservation. Additionally, the Company focused on maintaining regulatory compliance ensuring no penalties were levied for environmental violations, adopted sustainable practices across its operations and engaged with stakeholders to biodiversity conservation an important agenda of sustainability strategy.

Going forward, the Company intends to establish no net-loss biodiversity targets, adopt innovative technologies to reduce its ecological footprint and continual improvement of existing initiatives.

Biodiversity Commitment

The Company acknowledges that safeguarding biodiversity is fundamental to the health of the planet, the resilience of ecosystems, and the sustainability of business operations. As a leading pharmaceutical Company, it recognises the interdependence between its operations and ecosystem services and acknowledges its role in preserving nature and minimising ecological disruption.

The Company supports the principles of UN Convention on Biological Diversity (CBD) and acknowledges the global vision of Kunming-Montreal Global Biodiversity Framework (GBF) of *"Living in Harmony with Nature by 2050"*. The Company supports the adoption of mitigation hierarchy approach to avoid, minimise, reduce, and restore the areas and ecosystems impacted by business operations.

In alignment with the Kunming-Montreal Global Biodiversity Framework (GBF), the Company is committed to operating in harmony with nature, supporting the 2030 mission to address biodiversity loss, support ecosystem recovery, promote sustainable use, ensure equitable benefit-sharing, and thereby contribute to a Net positive impact (NPI) on biodiversity across its value chain. The Company is committed to create positive impact on biodiversity at all operational sites by 2040.

The Company endeavours to implement the following actions as a part of their biodiversity commitment for 100% of Company's own operations:

- Encourage tree plantation within and around the facilities, ensuring the preservation of flora, fauna, and bird habitat in and around the facilities.
- Comply with all applicable legal/regulatory and other biodiversity requirements.
- Promote the use of environmentally sustainable technologies/practices and adoption of innovative practices for pollution abatement and continual improvement in environmental performance.
- Select, purchase, and use appropriate fuel energy, energy efficient equipment - services and eco-friendly technologies to minimise traditional fossil fuel use.
- Reduce toxicity in the products and improve the percentage of co-processing and pre-processing of wastes.
- Build awareness among its vendors, contractors, and service providers to minimise the utilisation of natural resources in raw material, logistics, and recycling material.
- Conduct biodiversity risk assessments and develop Biodiversity Management Plans for ecologically sensitive site locations through the integration of the mitigation hierarchy to avoid, limit or reduce impacts on nature, and restore, wherever necessary.
- Engage with subject matter experts, local communities, and stakeholders, and participate in relevant governmental and industry platforms to support collaborative efforts in biodiversity conservation.

No - Deforestation Commitment

The Company recognises the critical role forests play in maintaining global biodiversity, regulating climate, and supporting the health and livelihoods of communities. As a responsible pharmaceutical Company, it commits to No Deforestation across 100% of Company's own operations and supply chain.

A. Scope of Commitment

This commitment applies to:

- All raw materials sourced directly or indirectly, including plant-based ingredients, paper, and packaging.
- All suppliers, subcontractors, and third-party partners.
- All geographies where it operates or source materials.

B. Core Principles

The No-Deforestation Commitment reaffirms its pledge to conduct business activities without contributing to deforestation. The Company has implemented several initiatives to prevent deforestation in its operations:

- **Reducing Paper Consumption:** The Company is exploring the feasibility of utilising alternative materials and sustainable packaging practices to mitigate the demand for virgin forest resources.
- **Encouraging Reuse and Recycling:** The Company prioritises the reuse and recycling of its packaging material, reducing the need for virgin paper.
- **Compliance with Regulatory Requirements:** The Company adheres to all applicable regulatory requirements related to forest conservation and replacement afforestation.



Product Design Criteria

The Company understands the importance of engaging with its value chain during product design to reduce the environmental footprint of its products. The engagement with the value chain covers both upstream and downstream partners in addition to own operations. Some of the Company's key initiatives are:

Sustainable raw materials or components:

The Company has established mechanisms for sustainable sourcing of raw materials from suppliers who have established sustainability practices aligned with ISO 14001 Environment Management System, ISO 50001 Energy Management System, ISO 45001 Occupational Health and Safety etc. The Company has taken a strategic ESG goal of 100% compliance of strategic suppliers from the ESG framework by 2027. During the reporting year, 39% of inputs were sourced from suppliers supplying APIs, intermediates, excipients, packaging materials and indirect materials with established ESG practices. The Company strives to include more suppliers in its sustainability journey by increasing awareness and building capacity across the value chain system.



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Sustainable manufacturing: The Company is actively working towards minimising the impact of its operations on the environment during manufacturing by maximising the process efficiency and adopting low carbon energy technologies. Some actions taken by the Company for improving resource efficiency are:

- Increased purchase of hybrid electricity by 91% in the reporting year w.r.t previous year to cater electrical energy requirements of equipments.
- Increased usage of biomass (agro based waste) by replacement of furnace oil (FO) and phasing out coal as primary fuel in boiler thereby reducing reliance on fossil fuels.
- Installed electrostatic precipitator (ESP) and water scrubbers on boiler flue stacks to minimise particulate matter/SOx emissions.
- Process optimisation and increase in number of batches while using same energy resources.
- Recover and reuse condensate as feed water in solid fuel boilers.
- Replaced electrical heaters with hot water coils in air handling units.
- Installed variable frequency drives in air handling units and equipment drives.
- Procured energy-efficient blowers for air handling units in new projects.
- Replace old high energy consuming chillers with energy efficient chillers.
- Installation of variable frequency drives (VFD's) across variable loads.
- Operate centrifugal chillers with efficient coefficient of performance (COP).
- Installed chillers and refrigerant equipment with zero ozone depletion potential.

Eco-friendly packaging and distribution: In FY2024-25, the Company's focused efforts on optimised packaging of key injectables and tablet products to achieve substantial cost savings and reduction of environmental footprint are as follows:

Product/Project	Initiative	Impact
Product 01 (Injectable)	Change of paper board - Poly coated Paper board (300 GSM Board + 15 GSM LDPE coating) to Plain Paper board (300 GSM Board)	- Avoided Plastic Consumption of 2.88 Ton (LDPE) 57.88 tons of plastic laminated paper board converted to 100 % recyclable board as plastic lamination is removed.
Product 02 (Injectable)	Change of paper board - Laminated paper board to plain Paper board	Avoided plastic consumption of 0.322 Ton (PET)
India market products (51 SKUs having multiple strips in one carton)	Change of paper board -From virgin paper board to Recycle paper board	23 MT of virgin paper board replaced with Recycled board.
Product 4 (Injectables)	Change from Plastic Ampoule holder tray to paper holder tray	10 MT plastic and 1MT Paper board (due to change of carton size) are saved due to this change.

Use phase - operation and servicing/ maintenance: The Company conducts regular preventive maintenance of its processes and engineering equipment in accordance with a defined schedule and standard maintenance practices defined by OEM. This approach contributes to enhanced productivity, minimised operational losses and costs, improved energy optimisation, reduced energy consumption and reduced GHG emissions per unit of manufactured product (for information on energy saving initiatives, refer to section Energy Management).

End of life management:

- Plastic waste is taken back from the market under extended producer responsibility (EPR) liability by authorised vendor for recycling and energy recovery.
- Final disposal of product, raw material, and water as per pollution control board guidelines and rules.
- Hazardous waste is sent for safe disposal to authorised vendors for landfill, incineration, and co-processing at cement kiln.
- E-waste and Battery waste is sent to approved recycler for safe disposal.
- Bio- Medical waste is sent for incineration to authorised vendor for safe disposal.
- Non-Hazardous waste is sent to approved vendor for safe disposal.



Life Cycle Assessment

Life Cycle Assessment of Mesalamine API & DR Tablets

- The Company has conducted a comprehensive Life Cycle Assessment (LCA) to evaluate and quantify the environmental impacts associated with the production of Mesalamine, an Active Pharmaceutical Ingredient (API), and Mesalamine Delayed-Release (DR) Tablets (3 doses i.e. 500mg, 800mg, 1200mg).
- These pharmaceutical products are widely used in the treatment of inflammatory bowel diseases, owing to their targeted anti-inflammatory action in the colon, favourable safety profile, versatile formulation possibilities, and strong clinical validation.

- This LCA initiative reflects Company's ongoing commitment to environmental sustainability and transparent manufacturing practices.
- The primary objective of the study is to develop a baseline environmental profile for both the Mesalamine API and its DR tablet formulation. The findings aim to support identification of environmental hotspots across the production chain and guide future improvements in resource efficiency and environmental performance within the Company's operations.
- The study adopts a cradle-to-gate system boundary, capturing all upstream and on-site processes related to the batch production of the Mesalamine API and its subsequent formulation into DR tablets.

- **The analysis includes key life cycle stages such as:**

- Extraction and processing of raw materials**
- Intermediate and API synthesis**
- Formulation of Mesalamine DR Tablet**
- Utility and resource consumption (electricity, steam, water, etc.)**
- Waste generation and treatment**

- The LCA is intended to serve as a foundational reference for future comparative LCAs, process optimisation strategies, and corporate sustainability reporting.
- The assessment has been carried out in accordance with internationally recognised standards, including *ISO 14040:2006 and **ISO 14044:2006, ensuring the reliability, transparency, and scientific rigor of the data and methodology employed.
- The study revealed potential for environmental performance improvement through better solvent recovery & use of green chemistry principles.
- This cradle-to-gate LCA provides Company with critical data to identify environmental hotspots within its Mesalamine product value chain and supports its long-term sustainability and operational efficiency goals.
- The insights from the study will inform strategic decisions for reducing the environmental footprint of pharmaceutical manufacturing, aligned with Company's commitment to environmentally responsible healthcare.



Impact Categories Assessed

- In total there are 16 recognised environmental impact categories within the European Commission Product Environment Footprint method.
 - A full ISO-compliant LCA study requires consideration of all environmental impact categories.
 - Moreover, all the impact categories were considered to analyse the hotspots and potential aspects across the life cycle of Mesalamine API & DR Tablets.
- The API synthesis phase represents the most significant contributor to carbon emissions and energy demand, primarily due to solvent use, heating requirements, and process complexity.
 - Formulation and transportation in all the doses contribute notably to material usage and upstream or intermediate transportation.
 - Water and energy usage across unit operations offer opportunities for optimisation, especially through recovery systems and utility efficiency improvements.
 - The Company has used SimaPro software (externally recognised tool) to conduct lifecycle assessment of the product.

*ISO 14040:2006: International standard that defines the principles and framework for conducting a Life Cycle Assessment (LCA)

**ISO 14044:2006: International standard that provides requirements and guidelines for conducting Life Cycle Assessment (LCA)

The Life Cycle Assessment reveals that the new sourcing route of API has a better (reduced) environmental footprint with respect to older sourcing route as per the following:

Sr. No	Impact category	Unit	% Reduction in environment impact (Old Route Vs New Route)
1	Global Warming	Kg CO ₂ eq	15%
2	Stratospheric ozone depletion	kg CFC11 eq	0%
3	Ionizing radiation	kBq Co-60 eq	20%
4	Ozone formation, Human health	kg NOx eq	17%
5	Fine particulate matter formation	kg PM2.5 eq	18%
6	Ozone formation, Terrestrial ecosystems	kg NOx eq	17%
7	Terrestrial acidification	kg SO ₂ eq	15%
8	Freshwater eutrophication	kg P eq	20%
9	Marine eutrophication	kg N eq	100%
10	Terrestrial ecotoxicity	kg 1,4-DCB	68%
11	Freshwater ecotoxicity	kg 1,4-DCB	58%
12	Marine ecotoxicity	kg 1,4-DCB	29%
13	Human carcinogenic toxicity	kg 1,4-DCB	24%
14	Human non-carcinogenic toxicity	kg 1,4-DCB	24%
15	Land use	m2a crop eq	8%
16	Fossil resource scarcity	kg oil eq	15%

The Company has been honoured with the **"Best Environmental Project"** award at the **CII National Award for Environmental Best Practices 2025** for its pioneering Life Cycle Study of Mesalamine API & DR Tablets, which can be accessed from the following link: https://www.linkedin.com/posts/zydusuniverse_zydus-lifesciences-cii-national-award-ugcPost-7372625297747193856-bVIC?utm_source=share&utm_medium=member_android&rcm=ACoAADLWEUUBbWxiWG_kMC_bZBOgWXjqoKkbThY.

Exposure to Hazardous Substances

Company Commitment: The Company has a formal, documented process for evaluating and mitigating risks associated with chemicals, raw materials, intermediates, and potential exposures, aligning with International Council of Chemical Associations (ICCA) guidance. This aims to protect human health and the environment by ensuring strict adherence to regulatory and safety requirements in all operations involving chemicals, across the organisation, including Research & Development (R&D), new product introduction, manufacturing, and technology transfer.

Assessment Process: Use qualitative and quantitative methods to evaluate the hazards of all chemicals, raw materials, and intermediates. This includes:

- Characterising the inherent hazards of each substance, including carcinogenic, mutagenic, or toxic properties.
- Identifying potential exposure pathways (e.g., inhalation, skin contact, ingestion).

The toxicology and industrial hygiene teams determine the level of risk based on:

- **Exposure Potential:** Analysing the quantity of a substance, duration of use, and material properties.
- **Occupational Hazard Banding:** Categorizing risks based on their potential hazard and selecting appropriate controls.

- **Control Strategy:** Applying a containment control strategy based on the risk evaluation.

New Product and Technology Transfer Review

- **Formal Risk Reviews:** The toxicology team conducts documented risk reviews during the new product introduction process.
- 100% of products undergo a formal risk assessment regarding their potential impact on human health and environment, during technology transfer from R&D to manufacturing.

Implementation of Controls and Management

- **Control Approval:** Recommended controls are reviewed and approved by an industrial hygiene expert and the Site EHS (Environment, Health, and Safety) team.
- **Implementation:** The in-house project team is responsible for implementing the approved Control Containment Strategy (CCS).
- **Workplace Monitoring:** Regular monitoring by the industrial hygiene expert ensures the CCS is effective. The monitoring verifies that exposure remains within safe Permitted Daily Exposure (PDE) limits.
- **REACH Regulation:** The Company ensures products shipped to regulated countries do not contain Substances of Very High Concern (SVHC) above the required thresholds.
- **REACH Registration:** An assessment based on clause 2.2.3.2 of the REACH Registration Guidelines determined that the Company is not required to register its products.
- **Process Restrictions:** The R&D Standard Operating Procedures (SOPs) explicitly prohibit the use of Benzene and restrict the content of Ethylene Glycol and Diethylene Glycol in manufacturing
- **Toxicology Teams:** Conduct documented risk reviews and chemical hazard evaluations for new products and during technology transfer.
- **Industrial Hygiene Expert :** Review and approve necessary controls, monitor workplace conditions, and ensure Permitted Daily Exposure (PDE) limits are maintained.
- **R&D Department:** Adhere to Standard Operating Procedures (SOPs) that avoid specific hazardous chemicals.



SOCIAL STEWARDSHIP



Labour Practices

Labour Practices Commitment

The Company acknowledges that safeguarding labour rights and employee well-being forms the foundation of the workplace where human rights are protected and respected, thereby building a harmonious and equitable social ecosystem across business operations. As a leading pharmaceutical organisation, the Company recognises the interdependence between its operations and protection of labour rights (as part of human rights) while fostering a workplace culture rooted in dignity, fairness, and respect. This commitment applies to all its group entities, including offices, manufacturing facilities, R&D centres, warehouses, contractors, and other locations from which the Company operates within the pharmaceutical and healthcare sectors. The Company also intends to extend the same level of labour practices commitment to its value chain partners.

To strengthen labour rights, the Company is committed to:

- ❖ Provide fair compensation, living wages and good conditions of employment. The Company will comply with all applicable laws relating to payment of wages. Any consideration of wage or remuneration is merit-driven and agnostic to gender, caste, age, ethnicity or religion.
- ❖ Encourage development of a culture and mechanism that avoids excessive working hours as a workplace practice. However, the Company will compensate for excessive/overtime working hours for the concerned personnel, in special business requirements, as mandated by law.
- ❖ Establish and adhere maximum working hours limit per day as mandated by the regulatory bodies.
- ❖ Support pay parity and ensure that employees/labourers are paid equally based on their credentials i.e., skillset, experience, qualifications etc. regardless of their gender, race or other forms of demographic differentiation.
- ❖ Comply with regulations for providing annual paid leave to the workers and employees.
- ❖ Comply with relevant local labour laws regarding collective agreements, consultation, notice periods and conduct constructive engagement with employee representatives or unions where applicable, to ensure that affected employees receive appropriate advance notice, in the event of mass termination/early leaving/layoffs.



Labour Practices Programme

The Company is committed to fostering a fair, safe, and inclusive workplace through responsible labour practices and progressive employment policies. The Company's labour programmes prioritize employee well-being, equitable treatment, and continuous engagement with workers. The Company upholds global standards while aligning with local regulations to ensure dignity and respect for all.

Paying a living wage

As per industry standards, the Company provides 100% of employees with more than the minimum wages. In addition to this, the Company provides access to subsidised canteen facilities that ensure affordable and nutritious food, as well as Company-operated transportation services for the daily commute.

The Company extends healthcare benefits to 100% of its workforce, including health insurance coverage, annual health check-ups, maternity leave, paternity leave, daycare facilities, subsidised healthcare treatment facilities for employees and their families. The Company's payout towards the living wage as per the Anker Methodology is verified and assured by independent third-party M/s Intertek India Pvt. Ltd. The assurance statement for the same can be seen on Page No. 142-143 of the ESG Report FY24-25.

Monitor working hours including overtime management

To uphold fairness, transparency, and operational integrity, the Company monitors employee working hours across all locations and functions. This practice enables data-driven decision-making, ensures compliance with labour regulations, and supports equitable workforce management.

Monitoring is conducted in accordance with applicable laws and internal policies, with respect for employee privacy and dignity.

It enables the Company to make informed decisions and maintain fair and transparent operations.

Overtime compensation

The Company recognises that excessive working hours can adversely affect employee well-being and therefore ensures a healthy work-life balance by establishing a limit on the maximum working hours per day/week as per applicable laws and industry norms.

Any work beyond the defined working hours limits, due to special business needs, is treated as overtime, with the Company ensuring compliance with all applicable laws on payment of wages, working hours, and overtime compensation, while promoting a healthy work-life balance.

Continuous engagement

The Company has established mechanisms to regularly engage and interact with workers' representatives on various topics including workplace safety, working conditions, grievances, occupational health and safety etc. The Company conducts monthly workplace safety meetings to encourage maximum participation from workers' representatives, fostering the exchange of new and innovative ideas to improve overall working conditions. The workers are actively encouraged to engage in discussions about the working conditions and risks associated with any tasks prior to commencing work.



Monitoring gender pay gap to achieve equal remuneration

The Company upholds and monitors its human rights and labour commitment to providing equal remuneration for work of equal value for both men and women, irrespective of gender, race, colour, or any other form of discrimination.

The Company regularly monitors pay parity within its organisation and benchmarks against industry peers based on their annual disclosures.

As part of its ESG goals, the Company has set a target to achieve 12% gender diversity by FY2028, strengthening its efforts towards pay parity.

The Company ensures that compensation/remuneration decisions are made fairly and in compliance with all applicable laws, without bias or discrimination.

The Company's compensation practices are designed to promote equity, transparency, and respect for all individuals across its workforce.

Social Protection

The Company expands social protection coverage to include medical care, sickness and

- ❖ Maternity benefits of 26 weeks to mothers as per regulatory norms
- ❖ Paternity benefits of 05 days leaves as part of the Company initiative
- ❖ Medical Insurance for 100% of employees extended to their parents with same benefits
- ❖ Top up to existing medical insurance plan for employees to further enhance health security of the workforce
- ❖ Accidental insurance to 100% employees
- ❖ Annual Health check-up for all employees
- ❖ Introduction of "Emergency Wallet Services" to support employees by making funds on an immediate basis in dire situations

- ❖ Financial support in terms of low interest loans for marriages, housing, education and medical emergencies
- ❖ Subsidised transportation and meal services to all employees
- ❖ Social security schemes as per mandates i.e. Provident Fund, Gratuity and Employee State Insurance (ESI) for all employees
- ❖ Employment injury benefits due to occupational injuries and diseases and invalidity benefits, in the form of ramps to facilitate easy access for differently abled employees and workers within the Company's premises
- ❖ Additionally, the Company provides various facilities to create a more comfortable and supportive working environment for persons with disabilities

Paying workers for annual leave

The Company ensures that all employees are entitled to annual leave in compliance with Company policies and regulations, without any impact on their wages or benefits. Employees are granted public holidays, restricted holidays, paid leave of 1 day-off/week, casual leave, sick leave, and earned leave as per Company norms.

Unutilised earned leave can be monetised as per Company rules, supporting employees' financial and social security. The Company ensures employees utilise their leave entitlements to support well-being.

Training and capability building

The Company recognises the evolving climate-related challenges and is committed to equipping its workforce with the skills needed to adapt and thrive. The Company is also committed to providing training and reskilling to mitigate the negative effects of industrial and climate transition changes. The Company intends to enhance the capabilities of its workers and keep them abreast of critical issues such as environmental aspects/impacts of operations, improvements in energy efficiency, best operating practices in significant energy usage areas, reduction of carbon footprint, standard methods of energy conservation at the workplace and at home, and response mechanisms for adverse climate events.

Discrimination and Harassment



Zydus Lifesciences Limited demonstrates a strong commitment to respecting the rights of employees, workers, communities, and all individuals impacted by its operations. The Company has implemented a dedicated Human Rights Policy that applies across all operational sites and extends to suppliers, contract workers, customers, and local communities. This policy enables Zydus to uphold stakeholder rights and ensures that human rights considerations are integrated into its business practices and value chain.

The Company has an **established Prevention of Sexual Harassment (POSH) policy**, framed in accordance with **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013** and the rules framed thereunder ("POSH Act"), and covers complaints by all categories of women for sexual harassment at the workplace (as defined under the Act) in the context of Zydus Group, including employees, temporaries, trainees visitors, employees on contract or at client sites. The details of the POSH policy can be accessed from the following link: [https://www.zyduslife.com/public/pdf/Companypolicy/](https://www.zyduslife.com/public/pdf/Companypolicy/Policy-on-Prevention-of-Sexual-Harassment-of-Wom...)

[Policy-on-Prevention-of-Sexual-Harassment-of-Wom...](#)

Zydus is an equal opportunities employer committed to treating all job applicants and employees fairly, **without bias or discrimination**. The Company strictly adheres to all applicable laws in its employment decisions and does not support any form of unlawful non-sexual harassment and discrimination based on race, colour, gender, age, national origin, religion, sexual orientation, gender identity or expression, marital status, or disability. Upholding the dignity and respect of its workforce is a core priority, reflecting the Company's dedication to fostering an inclusive and respectful workplace for all without any discrimination and harassment.

The Company has a zero-tolerance policy for any form of discrimination or harassment and strictly prohibits such behaviour across all its operations. The Company is committed to exercising high standards of integrity in its engagement with employees and ensures full legal compliance with applicable constitutional and regulatory human

rights requirements. As a responsible employer, the Company respects the rights of all employees and is committed to providing a healthy, safe, and secure workplace for everyone.

All employees and staff of the Company are provided training on the Human Rights Policy, including topics such as discrimination and harassment, during their induction. Additionally, as part of the annual human rights sensitisation initiative, all employees are required to formally acknowledge and sign off on the Human Rights Policy.

The Company endeavours to avoid human rights abuse and resolve grievances of the affected stakeholders effectively. The Company continues to build awareness and knowledge of its employees on human rights, including labour rights, and encourages them to speak up, without any retribution, about any concerns they may have. To prevent human rights violations and resolve grievances effectively, the Company has established multiple mechanisms. **Employees can raise their concerns directly with the Group HR Head through the internal portal of Zydus Connect 2.0.** Additionally, the Company has a comprehensive Human Rights Policy and a Whistleblower Policy, both accessible on the Company's website. The contact details of the POSH (Prevention of Sexual Harassment) contact points are prominently displayed across all workplaces. The details of human rights and whistleblower policy can be found from following link: <https://www.zyduslife.com/Companypolicy>

At Zydus, all reported incidents are thoroughly evaluated, and appropriate corrective actions are taken based on the severity of the violation. These actions, in accordance with the Company's Governance policies i.e. code of conduct, HR, POSH policies etc, may include formal warnings, mandatory training, suspension, or termination of employment.

Workforce Breakdown: Gender



Zydus Lifesciences Limited is committed to fostering an inclusive and diverse workplace culture that respects and values individual differences across its workforce. The Company believes that diversity, encompassing varied backgrounds, perspectives, and experiences, is essential for driving innovation, creativity, and sustainable growth. In line with this belief, Zydus strives to create an equitable work environment that promotes fair opportunities and respect for all individuals, regardless of gender, race, ethnicity, sexual orientation, religion, age, disability, or any other dimension of diversity. The Company also supports initiatives that empower individuals to reach their full potential.

The culture of diversity and inclusivity remains central to Zydus' organisational success. **During the current reporting period, female employees represented 8% of the total workforce.** The Company has successfully achieved its short-term target of increasing female

representation to 8% in 2025—one year ahead of the original target set for 2026. It continues to make dedicated efforts towards reaching its long-term goal of 12% female representation by 2028. In addition, Zydus is actively working to enhance the representation of women in management roles, technical positions, and revenue-generating functions.

Diversity Indicator	Percentage (0 - 100 %)
Share of women in total workforce (as % of total workforce)	8%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	6%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	6%
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	5%
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)	7%

The data in the above table encompasses 100% of the Company's workforce (FTEs), in line with the defined reporting boundary.

Workforce Breakdown: Race/ Ethnicity & Nationality

Considering that the Company's U.S. workforce comprises less than 20% of its total employee base, reporting on ethnic and racial minorities is not feasible. As an alternative, the Company has provided a breakdown of employees by nationality, as outlined below:

Breakdown	Share in total workforce (as % of total workforce)	Share in all management positions, including junior, middle and senior management (as % of total management workforce)**
Asian	97%	83%
Africans	0.5%	100%
Brazilian	1.1%	100%
Mexican	0.4%	100%
French	0.1%	100%
Spanish	0.2%	100%
British	0.1%	100%
American	0.4%	100%
** All the workforce outside of India is involved in management positions.		

The data in the above table encompasses 100% of the Company's workforce (FTEs), in line with the defined reporting boundary.

Gender Pay Indicators



In alignment with its broader commitment to equity and inclusion, Zydus Lifesciences Limited is dedicated to ensuring pay parity across its workforce. This reflects the Company's focus on fostering a fair and equitable work environment that prioritises qualifications, responsibilities, and performance over demographic factors. Pay parity refers to the principle of providing equal compensation to individuals performing similar roles, irrespective of gender, race, or other demographic distinctions. By eliminating wage disparities, Zydus aims to create a workplace where employees are rewarded fairly based on merit and experience. This approach supports the Company's values of diversity, inclusion, and fairness. As part of this commitment, Zydus fully supports equal gender pay and ensures that compensation is determined by objective criteria such as experience and qualifications. The Company has also conducted a gender pay gap assessment for its standalone operations to further reinforce this commitment.

Currency: INR (Indian National Rupees)	FY 2024-25	
Category	Average Female	Average Male
Executive level (base salary only)	51,60,357/-	76,62,470/-
Executive level (base salary + other cash incentives)	54,90,496/-	81,76,149/-
Management level (base salary only)	23,40,877/-	25,73,714/-
Management level (base salary + other cash incentives)	23,50,944/-	25,94,596/-
Non-management level (base salary only)	6,62,198/-	6,70,432/-

The data in the above table encompasses 100% of the Company's workforce (FTEs), in line with the defined reporting boundary.

The Company's equal pay assessment is verified and assured by independent third-party M/s Intertek India Pvt. Ltd. The assurance statement for Equal Pay Assessment can be seen on Page No. 142-143 of the ESG Report FY24-25.

Freedom of Association

Zydus Lifesciences Limited recognises freedom of association as a fundamental workplace right, empowering employees to participate in collective representation and ensuring their voices are heard on matters affecting their work environment and conditions. In India, 21% of the Company's employees and workers are affiliated with a union or employee association. The Company does not impose any restrictions on employees regarding their association with trade unions or participation in collective bargaining agreements.

Particulars	FY 2024-25
% of employees represented by an independent trade union or covered by collective bargaining agreements	21%



Human Rights

Human Rights Commitment

The Company upholds its commitment to human rights and anti-discrimination practices by enforcing its Human Rights Policy in accordance with globally recognised standards. This policy is shaped by the principles outlined in the Universal Declaration of Human Rights, the International Bill of Rights, and the International Labour Organisation's 1998 Declaration on Fundamental Principles and Rights at Work.

This commitment encompasses the prevention of human trafficking, forced labour, child labour, and discrimination and supports freedom of association, right to collective bargaining and other rights, patient wellbeing and privacy policy as per the applicable regulations.

The Company's Human Rights Policy applies across all business operations and extends to suppliers and partners throughout the value chain, expecting them to align with these principles and provide effective grievance mechanisms for timely resolution of concerns.

The Company demonstrates its commitment to upholding human rights through a robust and structured vigilance mechanism that is aligned with all relevant policies and procedures.

As a responsible organisation, the Company ensures full compliance with applicable laws and regulations across its business operations. Through dedicated internal audits and regular site visits, the Company reinforces its proactive approach to identifying, addressing, and eradicating human rights concerns within its business ecosystem.

Human Rights Due Diligence

The Company actively works towards identifying potential risks to human rights across operations, value chains and business partners, prioritising the impact of its business on key stakeholders, including employees, women, children, workers, third-party employees, and local community members.

The Company undertakes comprehensive Company-wide due diligence process to identify risks related to operations, labour standards, health and safety, environmental practices, and corporate ethics.

This regular due diligence is conducted by a cross-functional team focusing on issues like forced labour, child labour, human trafficking, discrimination, freedom of association, safe working conditions, fair wages and right to collective bargaining as per the applicable laws.

The Company's supply chain partners are required to provide signed documentation to the Company as evidence of compliance with these Human Rights Due Diligence standards.

Additionally, the Company incorporates human rights due diligence into the formation of new business relationships, including mergers, acquisitions, and joint ventures and ensures that all engagements undergo an evaluation process to identify and assess potential human rights risks.

As part of its broader processes of internal checks and balances, the Company has initiated a periodic and systematic review process to assess potential human rights risks. This proactive approach is designed to identify and mitigate emerging concerns before they escalate into a significant or critical threat that could impact the organisation.



Human Rights Assessment

The Company is committed to upholding the highest standards of human rights across its operations and supply chain. Recognising the importance of ethical conduct, it has established a comprehensive framework to identify and address potential human rights risks. This proactive approach reinforces the Company's dedication to responsible business practices and supports its positive impact on the communities in which it operates.

Over the past three years, the Company has conducted self-assessments focused on key human rights concerns, including child labour, forced labour, sexual harassment, workplace discrimination, and minimum wage compliance. In FY 2024–25, the Company assessed 100% of its operational sites, including joint ventures under its management control, with no risks identified or mitigation actions required.

Additionally, 39% of value chain partners, comprising vendors and suppliers of raw materials, APIs, intermediates, excipients, packaging, and indirect materials, were assessed during the reporting year, with no significant risks detected. For joint ventures, the Company ensures that all relevant aspects of its Human Rights Policy are implemented and monitored through periodic assessments.



Human Rights Mitigation and Remediation

Processes implemented to mitigate human rights risks

The Company is committed to protecting human rights across its business operations by enforcing policies that prohibit discrimination and harassment, fostering a safe, inclusive, and respectful workplace for all employees, as outlined in its Human Rights Policy (<https://www.zyduslife.com/public/pdf/Companypolicy/Human-Rights-Policy.pdf>)

The Company has established a strong and structured vigilance mechanism aligned with its governing policies and procedures to uphold human rights across all operations. As a responsible and law-abiding organisation, the Company ensures 100% compliance with all applicable laws and regulations.

- Regular internal audits and site visits are conducted to monitor adherence to laws concerning child labour, forced or involuntary labour, sexual harassment, workplace discrimination, and minimum wage standards.
- A zero-tolerance policy is maintained for any violations of these critical issues.
- All operational sites follow clearly defined processes communicated through the Company's Code of Conduct and Human Rights training programmes. The mitigation plans are deployed across all operational sites.

Type of remediation actions taken

The Company has implemented robust grievance mechanisms to address and remediate any negative impacts related to human rights risks. All complaints are treated seriously and handled with confidentiality. Employees are provided with multiple channels to voice their concerns:

- **Through Zydus Connect 2.0, employees can submit grievances directly to the Company's Group HR Head (CHRO).** The Company also maintains a comprehensive Human Rights Policy and a Whistle-Blower Policy (<https://www.zyduslife.com/public/pdf/Companypolicy/Whistle-Blower-Policy.pdf>), both of which are publicly accessible on its corporate website to promote transparency and accountability.
 1. The helpdesk enables employees to raise queries, which are addressed within defined timelines.
 2. Employees can directly reach out to the Group HR Head (CHRO) and the relevant head of their business vertical to escalate concerns.
 3. The system includes mechanisms for collecting employee feedback on various workplace matters.
 4. The Company publicly displays contact information for its Prevention of Sexual Harassment (POSH) support across all workplaces, reaffirming its commitment to a safe and respectful work environment.
- **All suppliers are contractually obligated to uphold human rights standards for their workforce. The Company enforces a zero-tolerance policy for any deviations from these requirements.**

Human Capital Management

Training & Development Inputs

Zydus Lifesciences Limited places a strong emphasis on addressing the training and development needs of its employees and workers, ensuring equal opportunities for growth across the organisation. The Company has established an online learning platform, ZyLearn, which offers over 100 modules covering a broad spectrum of software and professional skills. This digital learning is complemented by classroom sessions led by experienced trainers and subject matter experts.

To ensure effective learning outcomes, Zydus actively tracks and monitors individual enrolment and progress within its learning and development programmes. The Company's dedicated learning management system, seamlessly integrated with the HRMIS portal, provides all employees with access to an extensive repository of training resources. Additionally, calendared instructor-led training sessions are organised to enhance both technical competencies and behavioural skills, with employees encouraged to self-nominate for upskilling opportunities. The data in the below tables encompasses 100% of the Company's workforce (FTEs), in line with the defined reporting boundary.

Indicator	FY 2024-25
Average hours per FTE of training and development	34.02
Average amount spent per FTE on training and development.	1,009

Training data breakdown for FY 2024-25 by category:

Particulars	Average training hours		
	Male	Female	Total Average
Senior Management	35,235	330	35,565
Middle Management	2,14,164	9,859	2,24,022
Junior Management	2,76,716	39,898	3,16,614
General Staff	3,19,006	25,192	3,44,198
Total Average	8,45,122	75,278	9,20,400

The above data consists of various types of training conducted with different employees and workers, including mentorship, leadership training, compliance training, cultural diversity training, IT training, OHS training, etc.

Employee Development Programmes

Employee development programmes at Zydus are developed with the objective of nurturing the skills of individuals in the area of self-management, managing teams and managing the business. These development and skill building programmes are strategic initiatives designed to foster individual growth and career progression and secure the talent pipeline for the organisation by ensuring that in-house trained individuals are retained to succeed into key positions and roles within Zydus. This is also beneficial for the organisation as it improves productivity, reduces attrition, and promotes a culture of continuous learning and innovation. By investing in the growth and development of their workforce, companies can stay competitive in a dynamic and ever-changing business landscape. Below are some of the Company's key employee development programmes.

The Company's value proposition for a strong learning and development programme is titled "GROW"

GROW *Global Learning & Exposure
Respect Recognition Stability & Care
Opportunity Across The Value Chain
Work With The Best*

The Company addresses the human capability building challenge with a four faceted approach as below:

- Strengthen Leadership Pipeline
- Build robust people development processes
- Maximise Talent Pool
- Create continuous upskilling and reskilling platforms

The Company believes that this approach will enable Zydus to scale up to the next level of excellence.

At Zydus, the Company follows an unbiased approach to Learning and development. While a few programmes can be opted by all, customised programmes for levels are designed to suit the role expectations. Additionally, self-paced learning encouraged by progressive certifications is also an important aspect of individual development. 5 hours of self-paced learning is covered through 15 modules offering bronze, silver and gold certifications. All 75 modules across 5 levels are unique to the levels and address relevant learning areas.

The capability building initiatives and interventions are driven through different centers of excellence. Each centre is focused towards specific areas of people capacity building, ensuring learning outcomes catering to role requirements, talent pipeline building and organisational success. These centers of excellence are:



Learning Methodologies:

1. Coaching/ Mentorship:

- Zydus Lifesciences fosters career development among its employees through a range of structured programmes focused on behavioural competencies. These initiatives are designed not only to enhance individual growth but also to align personal development with business objectives.
- As part of these programmes, employees are encouraged to identify and execute business-relevant projects that serve as practical applications of behavioral skills.
- The process includes selecting experienced mentors whose guidance supports both the strategic execution of the project and the development of key behavioral competencies.
- By integrating mentorship with hands-on project work, Zydus enables employees to strengthen their leadership, collaboration, and problem-solving abilities—ultimately contributing to their professional advancement and the organisation's broader goals.

2. Teams and Networks:

- At Zydus, innovation is not a siloed activity—it is a collective endeavour that thrives on diversity of thought, shared experiences, and collaborative energy.
- In line with this vision, the organisation has launched **"ZYDEA- an idea whose time has come"** a strategic platform designed to foster innovative idea generation enabling cross-functional collaboration.
- ZYDEA brings together employees from various departments—R&D, manufacturing, quality, marketing, supply chain, and more—to co-create solutions that address real-world challenges of the organisation and unlock new opportunities. By encouraging individuals to step beyond their immediate roles, ZYDEA cultivates a culture of learning through teams and networks.
- This learning is enriched through participation with subject matter experts in professional communities, engagement with customers and suppliers, and involvement in internal and external forums. The cross functional team members interacts either through face-to-face interactions or digital platforms exchange insights, challenge assumptions, and spark innovation.

Type of programme offered for employee

A. Leadership development program:

- ❖ Zydus offers a suite of premier leadership development programmes designed to prepare future-ready leaders.
- ❖ The LEAP programme (Learn, Explore, Aspire, and Perform) focuses on cultivating leadership potential through experiential learning. WINGS, a dedicated women's leadership initiative, empowers female professionals to grow into influential roles. STEP-UP supports emerging leaders in building the capabilities required for higher responsibilities.
- ❖ These programmes collectively enhance strategic thinking, decision-making, and managerial effectiveness—equipping participants to lead with confidence and impact.

B. Cultural education:

- ❖ Zydus Lifesciences is deeply committed to fostering an inclusive, equitable, and diverse workplace culture. With a global, multinational workforce, the organisation consistently promotes a sense of belonging and allyship through regular awareness campaigns, webinars, and events that celebrate internationally significant days.
- ❖ These cultural sensitisation initiatives are thoughtfully designed to engage both permanent employees and contractual staff, encouraging mutual respect and understanding across all levels.
- ❖ Zydus recognises that diversity extends beyond demographics—it encompasses a wide spectrum of backgrounds, experiences, and perspectives.
- ❖ In line with this belief, the organisation actively pursues inclusive hiring practices, ensuring that recruitment efforts are free from bias and reflective of its commitment to building a diverse talent pool.

C. Transition programme for retiring and terminated employees:

- ❖ Zydus is committed to honouring the contributions of its employees by providing a thoughtfully designed retirement transition program that blends personalised guidance, financial clarity, and emotional recognition. The journey begins with one-on-one support to help employees understand and navigate retirement payout options with transparency and ease.
- ❖ To ensure continuity of care beyond active employment, retirees continue to receive access to group health insurance benefits, including coverage for pre-existing conditions. Throughout the transition, the HR Operations team and Business Partners remain actively engaged, offering reassurance and resolving any logistical queries.
- ❖ In the month leading up to retirement, Zydus organises meaningful engagement activities to celebrate the individual's legacy and impact. This culminates in the presentation of a commemorative silver plaque—a heartfelt token of appreciation that reflects the organisation's belief that long service deserves more than a farewell; it deserves a tribute.
- ❖ In instances of involuntary separation, Zydus remains equally committed to compassion and fairness, providing severance in accordance with Company policy and local regulations, while ensuring dignity and support throughout the process.

D. Digital transition programme:

- ❖ **Zydus regularly organises skill-building sessions for both employees and contract personnel, focusing on key areas such as cybersecurity and generative AI through by its IT team.**
 - These learning initiatives are designed to strengthen digital proficiency, enabling participants to confidently adopt emerging technologies and streamline workflows.
 - By enhancing technical awareness, the programmes contribute to improved efficiency and smarter ways of working across the organisation.
- ❖ **ZyLearn 2.0: Ushering in the Future of Digital Learning at Zydus**
 - Zydus has always believed that learning should not just be managed — it should be experienced. With this vision, the Company is proud to announce the launch of ZyLearn 2.0, its new AI-powered Learning Experience Platform (LXP), powered by Enthral AI.



- ZyLearn 2.0 marks a transformative leap from the traditional Learning Management System (LMS) to a more advanced, intuitive, and personalised Learning Experience Platform (LXP).
- While the LMS helped us organise, track, and deliver training, the LXP goes far beyond by offering a seamless, learner-centric journey that empowers each Zydus to take charge of their own growth.

Key highlights of ZyLearn 2.0 include:

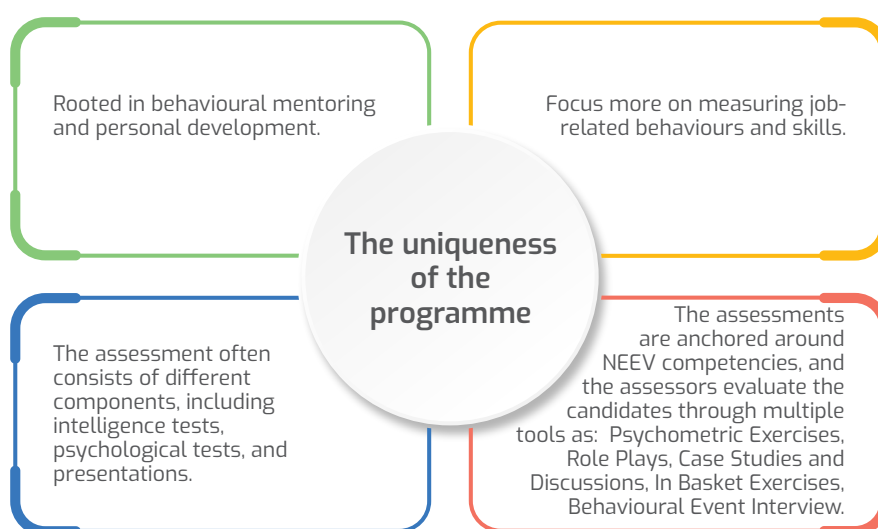
- **AI-powered personalisation** – content curated and recommended based on learner preferences and needs.
- **Anytime, anywhere learning** – mobile-first, intuitive interface for flexibility and ease of access.
- **Interactive formats** – videos, podcasts, resources, assessments, and collaborative forums for deeper engagement.
- **Smarter insights & analytics** – robust dashboards for learners, managers, and leaders to track progress and impact.
- **Integration with business priorities** – tailored campaigns, skill interventions, and learning pathways aligned to organisational goals.

Name of the leadership development programme: LEAP - Learn Explore Aspire Perform

Description of programme objective/business benefits:

LEAP is an assessment, and the leadership development centre intends to build potential Zydus leaders for their current and future roles in the organisation.

- This process is followed for the progression and promotion of an employee's career. The programme is specially crafted for all Deputy General Manager (DGM) and above employees in the organisation.
- The process of complete assessment and development of 09 months is followed for all internal candidates, similar assessments are also rolled out during recruiting senior-level candidates.
- As per the NEEV competency framework, all candidates in level 3 and above are eligible to participate in the LEAP journey. The process is done under standardised conditions and puts candidates through a combination of group and individual exercises that simulate a given job's conditions.
- The assessors judge the candidate's behaviour, which can serve as the basis for valuable predictions of a candidate's potential.



Benefits/Impacts: As of date, >500 employees got promoted internally to leadership roles in the past seven years. Through the LEAP journey, Zydus Lifesciences Limited cultivates a ready pool of leadership talent by enabling candidates to demonstrate measurable improvement across 18 elements of six key behavioural competencies of NEEV framework. Over a nine-month period, participants work on strategic business projects under the mentorship of senior business leaders. This structured development approach not only strengthens internal leadership capabilities but

also significantly reduces the need for external hiring at leadership levels, resulting in long-term cost efficiencies and enhanced organisational continuity.

Name of the programme: WINGS: Women Leadership Programme

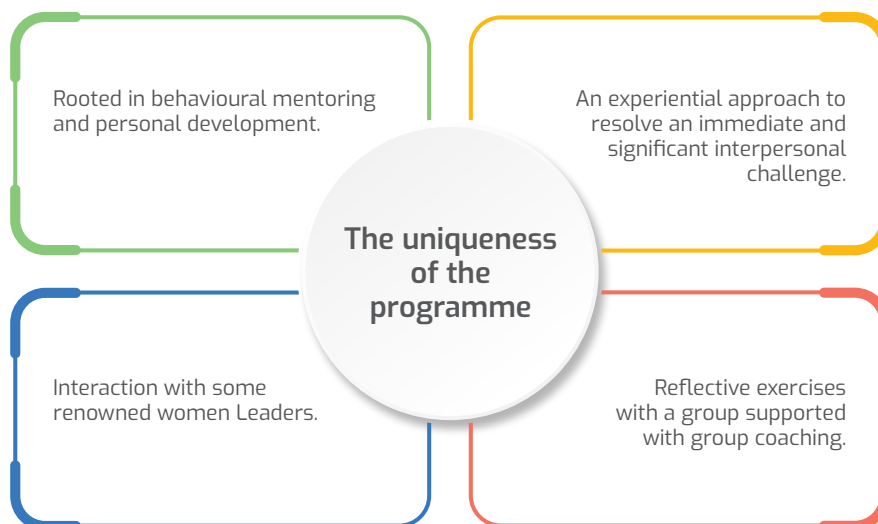
Description of programme objective /business benefits:

Zydus Lifesciences Limited has launched the WINGS program as a flagship initiative to strengthen its diversity, equity, and inclusion (DEI) agenda by empowering women professionals to step into larger leadership roles across both field and non-field functions. The program is thoughtfully designed to address the unique challenges women face on their leadership journey and aims to build strategic, visionary leaders by leveraging **three core levers of goal setting—Strategy, Vision, and Goal Positioning**.



Through WINGS, women employees gain the opportunity to:

- Overcome organisational hurdles that may restrict their growth
- Anticipate challenges and manage them with agility
- Identify and strategically apply their strengths
- Understand workplace diversity dynamics
- Enhance executive presence and self-awareness
- Discover and leverage their leadership potential
- Lead teams with greater purpose and impact
- Seek critical feedback and reflection from peers and subordinates



Benefits/Impacts: To date, over 700 women colleagues have embarked on this transformative journey. The program offers mentoring, leadership workshops, and networking opportunities that help participants build influence and visibility across the organisation. By fostering a pipeline of confident and capable women leaders, WINGS brings fresh perspectives and inclusivity into business decisions. WINGS stands as a testament to the Company's commitment to gender-balanced leadership and the belief that empowered women empower organisations.

Name of the programme: STEP-UP: Strive Towards Excellence Programme

Description of programme: As Zydus Lifesciences Limited continues to advance along its dynamic growth trajectory, the Company recognises that its people, assets, and capabilities are the key drivers of long-term success. In line with its commitment to building a strong leadership pipeline, Zydus has launched STEP-UP (Strive Towards Excellence Programme)—a structured and dedicated learning intervention under the career progression framework.



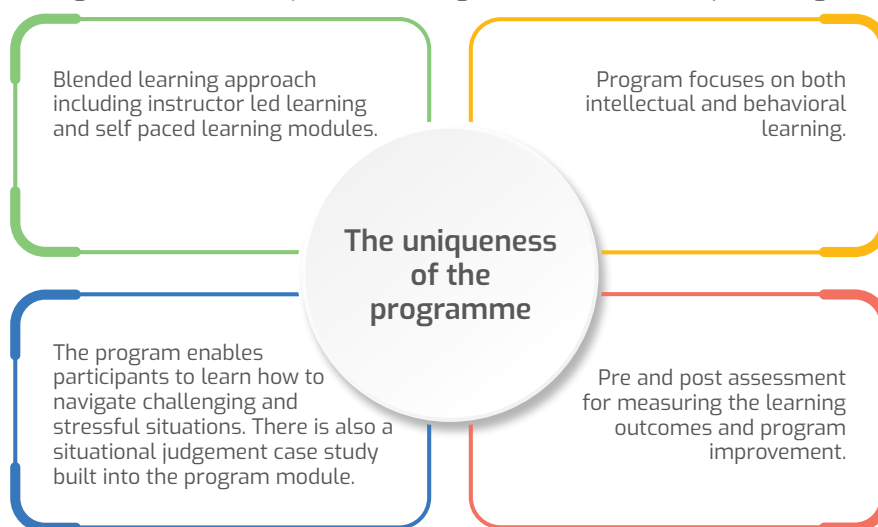
STEP-UP is designed to nurture and develop young, high-potential talent at lower management levels. The program follows a comprehensive six-month development journey that includes pre-assessments, report sharing, identification of development areas, and post-training assessments. It aims to elevate managerial capabilities and prepare individuals for both immediate and future leadership roles within the organisation.

The cohort is segmented into three sub-groups: Individual Contributors (ICs), Team Leads, and Deputy General Managers (DGMs), allowing for targeted development based on role-specific needs.

Key Features of the STEP-UP Development Journey:

- Well-defined curriculum tailored to diverse managerial challenges
- Curated content focused on self-development, people development, and business development
- Emphasis on managing multi-generational teams and collaborating with AI for enhanced efficiency
- Delivery through in-person classroom sessions, virtual instructor-led trainings (VILTs), assignments, assessments, and certification

STEP-UP reflects Zydus' future-focused approach to talent development and its ongoing commitment to nurturing a capable, confident, and agile workforce ready to lead the organisation into its next phase of growth.



Benefits/Impacts: To date, more than 582 critical talents have participated in this initiative. As a result of this programme, there have been 42 cross functional movements and 37% talent progression at the GM level and above. These internal promotions and transfers have benefited the organisation significantly by ensuring higher employee engagement levels, increased productivity and reduced lateral hiring for the designated positions, especially at the senior management level and above.

Programme for contractual or part time employees in Company's own workforce : The Company offers dedicated technical and behavioural development programmes conducted at various locations across the Company. Candidates are encouraged to participate in these programmes to enhance their skills across multiple avenues and accelerate their career growth.

Human Capital Return on Investment

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Revenue (INR)	131,008,000,000	149,826,000,000	172,196,000,000	205,326,000,000
Total Operating Expenses (INR)	108,957,200,000	122,713,600,000	129,410,000,000	148,951,000,000
Total employee-related expenses (INR)	22,705,400,000	25,983,000,000	29,442,000,000	34,434,000,000
Resulting HC ROI	1.97	2.04	2.45	2.63
Total Employees	22,035	22,797	25,230	26,671

Hiring

Zydus Lifesciences Limited places high importance on attracting the right talent, recognising that its people are the key drivers of organisational success. The Company fosters a culture rooted in positivity, innovation, and employee well-being. Through its 'Institute to Industry' programme, Zydus rigorously screens and selects fresh graduates and postgraduates from reputed institutions to become part of its talent ecosystem. These individuals receive comprehensive orientation and targeted coaching to ensure a seamless transition from academic life to professional roles. In addition, employees are supported through on-the-job training and mentoring, equipping them for well-defined career paths within the pharmaceutical manufacturing industry.



Indicator	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total number of new employee hires	4,305	5,514	7,986	7,809
Percentage of open positions filled by internal candidates (internal hires)	36	32	33	32
Average hiring cost/FTE in INR	2,570	3,675	19,237	10,129

Hiring data breakdown by category:

Age Group	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Below 30	2,993	3,770	5,438	5,510
30-40	1,105	1,441	2,040	1,893
40-50	174	257	445	357
Above 50	33	46	63	49
Total	4,305	5,514	7,986	7,809

Gender	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Male	4,067	5,150	7,628	7,346
Female	238	364	358	463
Total	4,305	5,514	7,986	7,809

Management Level	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Senior Management	47	58	68	90
Middle Management	92	113	113	114
Junior Management	4,166	5,343	7,805	7,605
Total	4,305	5,514	7,986	7,809

Employee Turnover Rate

Talent retention is a critical metric for Zydus Lifesciences Limited, as it directly influences operational efficiency and the preservation of institutional knowledge. In a sector that demands specialised skills and deep regulatory expertise, retaining experienced personnel is essential to maintaining high standards of quality and compliance. Zydus actively works to minimise employee turnover, recognising that strong team dynamics and collaboration are key drivers of innovation and sustainable growth.

To support this objective, the Company implements a range of employee-focused initiatives, including dedicated learning management programmes, proactive diversity, equity, and inclusion (DEI) efforts, structured volunteering opportunities, and comprehensive employee support systems. These initiatives are designed to enhance employee satisfaction, reduce attrition, and foster a culture of excellence that aligns with Zydus' long-term strategic goals and competitive positioning.

Indicator	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total employee turnover rate	24.9%	22.3%	23.3%	23.8%
Voluntary employee turnover rate	21.0%	19.7%	19.9%	20.5%
Data coverage (as % of all FTEs globally)	100%	100%	100%	100%

Total turnover rate data breakdown by category:

Age Group (in %)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Below 30	26.8%	29.3%	30.8%	31.9%
30-40	14.0%	17.5%	17.0%	17.6%
40-50	6.0%	6.8%	7.8%	8.5%
Above 50	4.6%	5.3%	4.5%	4.0%

Gender (in %)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Male	16.5%	18.9%	19.7%	20.5%
Female	18.5%	21.3%	20.5%	16.8%

Management Level (in %)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Senior Management	7.4%	9.2%	7.3%	8.6%
Middle Management	13.3%	11.4%	10.9%	9.4%
Junior Management	16.9%	19.5%	20.4%	21.0%

Long-term Incentives for Employees



Zydus Lifesciences Limited recognises the pivotal role that long-term incentive programmes play in retaining top talent and driving sustained organisational success. To cultivate a workforce aligned with its strategic objectives, the Company integrates sustainability-focused Key Performance Indicators (KPIs) into the performance assessments of employees across middle to senior management levels, representing approximately 96% of the workforce. These KPIs are reviewed regularly, with performance evaluations conducted on a monthly to annual basis, depending on the role and reporting structure.

The Company's approach to long-term incentives is closely linked to the achievement of function-specific sustainability milestones, including health and safety metrics, reductions in energy consumption and greenhouse gas emissions, increased use of renewable energy, resource efficiency, cost-effective outputs, employee well-being indicators, and social responsibility initiatives. Variable compensation is directly tied to performance against these targets, reinforcing a culture that values long-term impact over short-term gains and aligning employee efforts with the Company's broader vision.

In addition to financial incentives, Zydus invests in the long-term growth and career development of its employees. Following a three-year reporting cycle, high-performing individuals become eligible for promotion and advancement into new roles within the organisation. This progression is based on a holistic evaluation of past performance, demonstrated capabilities, and the availability of opportunities within the Company's evolving structure.

Through this comprehensive incentive framework, Zydus not only retains skilled and engaged talent but also ensures that decisions and actions across the organisation remain aligned with its strategic goals. By fostering a culture of performance, development, and sustainability, the Company continues to build a future-focused workplace where employees are empowered to contribute meaningfully to both their personal growth and the long-term success of the organisation.

Employee Support Programme

At Zydus, Employee Support Programmes (ESP) are essential for promoting the overall well-being of employees and driving organisational success. By offering a comprehensive range of services that cater to physical, mental, and emotional needs, ESPs foster a nurturing work environment where employees can flourish. Investing in these programmes signifies a commitment to the people who are fundamental to the success of the business, resulting in a more satisfied and motivated workforce. Below are some key employee support and well-being initiatives implemented by the Company:

A. Workplace stress management

- ❖ **Zydus Clubs:** The Company has instituted a programme, 'Zydus Clubs,' through which employees are encouraged to engage in and showcase their hobbies and passions such as poetry, singing, photography, sports and fitness, dancing etc., helping to manage workplace stress and promote a healthy work-life balance.
- ❖ **Periodic pause from work:** The Company recognises the importance of managing workplace stress and promoting employee well-being. To support this, extended periodic pauses are provided after meal breaks, allowing employees to engage in regular physical activity for overall health management.

- ❖ **Cultural Pathways for Inner Wellbeing:** The Company acknowledges that cultural pathways can be a valuable avenue for enhancing inner wellbeing, both in the workplace and at home. Building on this belief, the Company encourages employees to participate in cultural celebration events held across various business units within the Company.
- ❖ **Promoting Mental Health at Workplace:** Zydus believes that good mental health not only fosters a focused, efficient, and motivated workforce but also enhances communication, empathy, and collaboration among colleagues, as well as enriching interpersonal relationships beyond the workplace. Reflecting this belief, Zydus launched a mental well-being series titled 'Yoga for Life' and can be referred from the following links:

- https://www.linkedin.com/posts/zydusuniverse_zydus-zydusgroup-internationalyogaday-activity-7342028578374496256-htb5?utm_source=social_share_send&utm_medium=android_app&rcm=ACoAADLWEUUBbWxiWG_kMC_bZBOgWXjqkKbThY&utm_campaign=copy_link
- https://www.linkedin.com/posts/zydusuniverse_yogaforlife-zydus-zydusgroup-activity-7225382230821359616-uC09?utm_source=social_share_send&utm_medium=android_app&rcm=ACoAADLWEUUBbWxiWG_kMC_bZBOgWXjqkKbThY&utm_campaign=copy_link

❖ Annual Celebrations

- Zydus proudly hosts its Annual Day Celebration—an evening dedicated to commemorating the organisation's milestones and collective achievements. This prestigious event is graced by the presence of the Chairman and Senior Management and serves as a platform to reflect on the Company's progress and recognize the contributions of its people.
- Employees from Zydus units across diverse geographical locations come together to participate in a variety of recreational and cultural activities. These engagements not only foster interpersonal connections but also contribute meaningfully to stress relief and overall employee wellbeing.
- In addition to the formal celebration, the Company organises a special evening where employees are encouraged to gather with their families, transcending business units and hierarchies. These moments of togetherness strengthen the bonds within the larger *Zydus Parivaar*, cultivating a culture of unity, warmth, and holistic wellness across the organisation.



B. Sports and Health Initiatives

- ❖ **Zydus "Khel Ka Mahasangram":** The Company promotes year-round sports activities that encourage employee participation in various sports including "Cyclothons", "Table Tennis & Carrom Tournaments", "Tug of War", "Cricket Tournament". These initiatives aim to foster physical well-being, team spirit, and a vibrant workplace culture.
- ❖ **Fostering fitness at workplace:** Being a leading pharmaceutical and wellness Company, Zydus fosters employee fitness by providing physical fitness centre (Gyms) at workplace.
- ❖ **Employee Recreation Zone:** The Company has established an Employee Recreation Zone to promote a balanced work environment. This dedicated space offers indoor games and leisure activities such as Billiards, Table Tennis, Carrom, Chess, Dart Boards etc. that encourage mental relaxation and rejuvenation.
- ❖ **Workplace Nutrition and Well-being Initiative:**
 - The Company believes that employee well-being is the foundation of a healthy, motivated, and productive workforce. In alignment with World Health Day 2025, the Company launched 'Workplace Nutrition and Well-being Initiative', focusing on small, practical lifestyle choices that contribute to long-term health.
 - This initiative encourages employees to adopt simple yet impactful daily habits—such as starting the day with water and lime, incorporating fruits and vegetables into meals, limiting packaged and fried foods, prioritising adequate sleep, and practicing mindful activities like yoga, meditation, or regular walks. By promoting balanced nutrition, physical activity, mental wellness, and mindful eating, the Company aims to support holistic health for every team member.



- Through collective participation, these practices can help the Company to build a healthier workplace culture—one that values not only professional growth but also the personal well-being of all employees.



C. Flexible Working Hours (Work from Home)

The Company provides options for flexible schedules to accommodate personal needs, as per requirement basis.

D. Childcare facilities/contributions

- The Company is committed to fostering a supportive and family-friendly work environment.
- As part of this commitment, the Company offers dedicated childcare facilities for employees, providing a safe and nurturing space that promotes the physical, emotional, and social development of children.
- These facilities are designed to ease the work-life balance for employees while ensuring their children receive attentive care in a structured and enriching setting.
- Additionally, the Company has instituted a programme "Zydus Cares" wherein, pregnant employees are assigned with buddies to support them throughout the pregnancy period.

E. Breastfeeding Facilities

The Company provides lactation rooms at the workplace for nursing mothers.

F. Paid Parental Leave for primary caregiver

The Company provides 26 weeks of paid parental leave for primary caregiver (mothers) as per government norms. However, the employee can further opt for paid leaves for her requirement as per the Company policy.

G. Paid Parental Leave for non-primary caregiver

The Company provides five days of paid paternity paid leave for non-primary caregiver (fathers) as per Company norms.

H. Paid family or care leave (beyond parental leave)

The Company provides approximately 40 days of paid leave annually, in addition to parental leave. These leaves can be utilised at multiple intervals to support the care of both immediate and extended family members.

I. Health and Wellness Programmes

- **Zydus Well-being:** The Company provides Annual health check-ups and subsidised treatment for employees and their families at Zydus Hospitals.
- **24/7 Medical Assistance:** The Company provides comprehensive medical support, including ambulance services and emergency first aid at its manufacturing sites.
- **Medical Insurance:** The Company provides a robust medical insurance policy for on-roll employees and workers, which also extends coverage to their parents. In FY 2024-25, the Company increased the medical insurance limit, further strengthening the health security for its workforce.
- **Top-Up Options:** The Company provides additional coverage through a top-up medical insurance plan.
- **Health and Safety Compliance:** The Company maintains strict adherence to human rights, safety, health, and hygiene protocols.

J. Family and Financial Support

- **Financial Support for Families:** In the event of an employee's demise, the deceased family is provided with financial support as part of Zydus employee well-being policy. Additionally, low-interest loans for marriage, housing, education, and medical emergencies are offered.
- **Insurance Coverage:** The Company ensures that employees receive comprehensive medical and accident insurance to ensure their well-being.
- **Emergency Wallet Services:** Introduced in FY 2024-25, this initiative supports employees by making funds available on an immediate basis in dire situations.

K. Employee Recognition and Engagement

- **Employee Recognition Programmes:** The Company conducts recognition programmes such as "Champion of the Month" and Zydus "STARS" to motivate and recognise employee contributions.



Performance Appraisal

Zydus Lifesciences Limited has adopted a comprehensive and structured approach to performance appraisal, anchored in a **Management by Objectives (MBO) framework**. This system facilitates goal setting, performance evaluation, and continuous feedback, encouraging employees to collaborate closely with their managers to define SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) objectives and key results (OKRs). These objectives are aligned with the organisation's strategic priorities and are established through detailed discussions at the beginning of each performance cycle to ensure clarity and mutual understanding.



Throughout the performance period, employees actively work toward their goals, supported by regular check-ins and feedback sessions with their managers. This continuous feedback loop fosters a culture of transparency, accountability, and ongoing development. By empowering employees to take ownership of their objectives while aligning their efforts with broader organisational goals, the MBO system enhances individual performance and contributes to the Company's overall success.

Multidimensional performance appraisal system (360-degree feedback): Beyond the MBO framework, Zydus emphasises the importance of aligning individual performance with business outcomes and is accomplished by adopting the following 360-degree performance appraisal mechanisms with support of external expert agencies for different levels of management roles:

- Jombay Assessment:** Zydus Lifesciences Limited employs the Jombay Assessment as a behavioural and personality-based evaluation tool to identify employee competencies, leadership potential, and development areas aligned with both functional and strategic roles. This structured assessment supports the Company's commitment to nurturing future leaders and enhancing organisational effectiveness through targeted talent development.
- SHL:** Zydus Lifesciences Limited has partnered with SHL to implement a robust behavioural assessment process that reflects its core belief: "We build people to build our business." This philosophy has guided the Company's growth journey, driven by the Zydan spirit—placing the organisation above self, fostering teamwork, embracing innovation, and cultivating a culture of trust and unity.

As a future-focused organisation, Zydus offers dynamic growth opportunities across its value chain. This is encapsulated in its GROW value proposition, which emphasises:

- **Global Learning and Exposure**
- **Respect Recognition Stability & Care**
- **Opportunities Across The Value Chain**
- **Work With The Best**

The SHL assessment process is designed to evaluate employees purely from a behavioural perspective and is conducted in two phases:

- **Phase I: Online Assessment (Approx. 70 minutes)** This phase includes three components:
 - Occupational Personality Questionnaire (OPQ)
 - Motivation Questionnaire
 - Experience Survey Note: These assessments are not timed; the duration reflects average completion time.
- **Phase II: One-on-One Interaction (Approx. 4.5 hours)** This phase involves in-depth individual interactions to explore behavioural insights and development potential.

Through this assessment framework, Zydus reinforces its commitment to building a high-performing, future-ready workforce aligned with its strategic goals.

Team-based performance appraisal: Zydus Lifesciences Limited has established a well-defined "ZyScore MyScore and PRIDE" performance appraisal framework that encompasses both individual and team-based evaluations.

- The system is designed to ensure a balanced and comprehensive assessment of employee contributions across various levels of the organisation. For senior managers and above, the ZyScore MyScore system integrates individual responsibilities with organisational objectives, offering clear direction and motivation.
- For first- and second-line managers and individual contributors (ICs), the PRIDE system provides role-specific evaluations and development support. Sales performance is managed through a dedicated Sales Performance Management system.
- Employees utilising ZyScore MyScore and PRIDE can access their performance data through the Company's Performance Management System (PMS) portal, Zydus PRIDE. This web-based platform serves as a centralised hub for performance reviews, goal tracking, and individual development planning.
- Variable pay is structured with a flexible weightage ranging from 0% to 80%, depending on the management cadre, and is determined by a combination of individual performance and team outcomes. This approach reinforces accountability, collaboration, and alignment with organisational goals, while recognising the diverse impact of roles across the enterprise.

Agile Conversations: Zydus Lifesciences Limited promotes Agile Conversations as a key approach to fostering collaboration and shared understanding across teams. This structured dialogue framework encourages active listening, thoughtful enquiry, and alignment on goals, enabling teams to work more effectively and adapt to evolving business needs. This approach empowers teams to respond to change with agility while reinforcing trust, accountability, and performance excellence.

The current performance management process of Zydus is as follows:



S.No.	Type of Performance Appraisal	Performance Appraisal Frequency
1.	Management by objectives	Ongoing
2.	Multidimensional performance appraisal (e.g. 360 degree feedback)	Ongoing
3.	Team-based performance appraisal	Ongoing
4.	Agile conversations	Ongoing

Trend of Employee Wellbeing

In today's dynamic and competitive job market, Zydus Lifesciences Limited recognises that attracting and retaining top talent is essential to sustained success. As part of its ongoing commitment to enhancing human resources practices, the Company has actively participated in the "Great Place to Work" certification process, widely regarded as the gold standard for workplace excellence.

This rigorous evaluation requires organisations to submit both qualitative and quantitative data related to workplace culture, including employee wellbeing programmes, policies, and survey outcomes. In the latest reporting year, Zydus conducted a Great Place to Work (GPTW) survey with a sample of >4,000 employees, achieving an impressive response rate of 81% (~4000 employees). The results revealed that 80% of respondents expressed high levels of satisfaction.

The survey captured feedback from a diverse cross-section of the workforce, including senior management, middle management, and junior staff. Key focus areas included workplace stress and burnout, job satisfaction and role clarity and overall employee happiness. The insights gathered were thoroughly analysed and benchmarked against industry standards to identify strengths and areas for improvement.

As a result of these sustained efforts, Zydus Lifesciences Limited has been awarded the "Great Place to Work" certification for four consecutive years, spanning FY2021 to FY2025. This recognition highlights the Company's dedication to fostering a positive, inclusive, and fulfilling work environment where employee wellbeing remains a top priority.



Occupational Health and Safety

OHS Policy

The Company is committed to Occupational Health and Safety (OHS), ensuring a safe and healthy work environment for all employees, contractors, and individuals. This commitment is reflected in its comprehensive Environment Health and Safety (EHS) policy (<https://www.zyduslife.com/public/pdf/Companypolicy/Environment-Health-and-Safety-Policy.pdf>)

The Company's Occupational Health and Safety (OHS) framework aligns with pertinent international standards and regulations, incorporating best practices from standards like ISO 14001 and ISO 45001.

To provide for a collaborative culture of safety, the Company actively involves all employees and their representatives in the development and implementation of OHS initiatives.

The Company is committed to the continuous improvement of its OHS management system, establishing clear priorities and action plans to effectively address safety challenges.

Furthermore, quantitative targets have been set to enhance OHS performance metrics, enabling the Company to measure progress and drive significant changes across all operations.

During the reporting year, zero fatalities were reported by the Company. By adopting a proactive approach to safety, the Company not only aims to meet regulatory requirements but strives to surpass them, fostering a workplace where everyone feels secure and valued.

The Company ensures that all its workers are covered by occupational health and safety management system and the same is reviewed during internal audit of ISO 45001. At Zydus, there are also regular external audits by third parties.

OHS Programme

The Company is committed to Occupational Health and Safety (OHS), and has established a comprehensive program designed to safeguard the well-being of employees has been established, following a structured and holistic approach:

- Incident Reporting and Preparedness:** The EHS incident reporting and investigation policy has been implemented across all operations, for all incidents related to near miss, process safety near miss, high potential, first-aid cases, medical treatment cases, lost time cases, restricted workdays, fatalities, occupational illnesses, chemical exposure and process safety.
- Risk and Hazard Assessment:** The programme includes thorough risk and hazard assessments aimed at identifying potential workplace hazards:
 - PSSR (Pre-Start-up Safety Review):** Systematic safety review conducted before starting up a facility or equipment to ensure that all safety measures are in place. It checks for hazards, verifies that safety systems are operational, and confirms that all necessary training and procedures are completed.
 - HAZOP (Hazard operating procedures):** It helps to identify potential hazards and operational issues in a system. The EHS team also reviews the design or process to identify how deviations from normal operations could lead to safety or performance issues.
 - HIRA (Hazard Identification Risk Assessment):** It helps to prioritise risks based on their potential impact and likelihood, thereby guiding to take appropriate control measures.



3. **Third Party Audit:** The Company also undergoes regular Third-Party Safety audits for all facilities as per the requirement of ISO45001..
4. **Industrial Hygiene (IH):** Monitoring such as personal exposure sampling, containment validation and cross contamination study for potent molecules (OEB-5) is conducted periodically. This helps to constantly improve the facilities for employee's occupational health.
5. **Safety Management Software (Zysafe):** All manufacturing facilities have implemented safety management systems through Zysafe software (<http://zysafe/login.aspx>). All the employees have access of Zysafe software. Zysafe software consists of 9 different modules for EHS Scheduling, Observations, Corrective Action Preventive Action (CAPA), Incident Investigation, EHS Monthly Report, Global CAPA, Work Permit, Safety Passport and EHS Quiz. In the reporting year, the Company has introduced a new e-learning module and Global CAPA in the Zysafe software on behaviour-based safety, electrical safety, static charge, emergency preparedness, risk assessments and process safety interpretation.
6. **Worker Participations and Healthcare Initiatives:** As part of the Company's commitment to safety, workers actively participate in safety committee meetings, as mandated by statute. During these meetings, they report work-related hazards, and effective mitigation measures are discussed and implemented collaboratively. The Company provides access to an onsite doctor and maintains an Occupational Health Centre (OHC) clinic to address all medical queries. Furthermore, all permanent employees and workers are covered by a medical insurance policy, subsidised treatment options, extended coverage of medical insurance policies for families of employees and annual health check-ups, ensuring that their non-occupational medical needs are met.

This proactive approach enables Zydus to prioritise and integrate actionable plans with quantifiable targets to effectively address these risks. **The Company continually evaluates progress in reducing and preventing health issues, ensuring that the targets of reducing Lost-time Injury Frequency Rate (LTIFR) rate by 5 % by 2025 is met.**

The Company is committed to preparing for and responding to emergencies by embedding necessary actions into its operational framework.

Its dedication to occupational health and safety (OHS) is demonstrated through regular internal inspections and independent external verification of health and safety data by Intertek India Private Limited.

The Company maintains robust procedures for investigating work-related injuries, illnesses, and incidents to ensure continuous learning and improvement.

All employees undergo OHS training to enhance awareness and reduce operational risks, fostering a strong culture of safety.

OHS criteria are integrated into procurement practices, contractual obligations, and the Supplier Code of Conduct, in alignment with ILO Conventions, reinforcing the Company's commitment to safety across the supply chain.

Through these initiatives, the Company strives to maintain a safe and healthy work environment for all individuals associated with its operations.

Health Outcome

Parameter	Unit	FY 2024-25	FY 2023-24	Target FY 2025-26
Fatalities (Employees)	Number	0	0	Reduction in LTIFR by 5%
Fatalities(Contractors)	Numbers	0	0	
Lost-Time Injury Frequency Rate (LTIFR) - Employees	LTIFR (n/million hours worked)	0.07	0.02	
Lost-Time Injury Frequency Rate (LTIFR) - Contractors	LTIFR (n/million hours worked)	0.35	0	

In response to the rise in safety incidents, the Company conducted independent investigations to identify systematic root causes and implemented appropriate engineering controls across all sites. Risk assessments were reviewed and updated based on investigation outcomes, while a comprehensive electrical safety assessment was carried out in response to incident trends. To address human error, a Company-wide Behaviour-Based Safety (BBS) programme was launched to strengthen safety culture and proactive risk mitigation. These actions reflect the Company's commitment to robust corrective measures and continuous improvement in safety performance.

Contribution to Societal Healthcare

Access to Healthcare Programme

Progress associated with access to healthcare services

Zydus Medical College and Hospital, Dahod

Zydus Medical College and Hospital (ZMCH) in Dahod has been established by the Zydus Foundation, an initiative by the Company to bring world-class medical education and comprehensive healthcare services to the remote and underserved regions of Gujarat. Strategically located in an aspirational district, ZMCH serves as the only tertiary healthcare facility within a 150 km radius, catering to tribal and backward communities across eastern Gujarat and neighboring districts of Madhya Pradesh and Rajasthan. The institution stands as a beacon of excellence in medical education, clinical research, and patient care, offering free treatments including OPD consultations, surgeries, anesthesia, oral medicines, injectables, and meals—ensuring equitable access to quality healthcare for all.



The establishment of ZMCH holds profound significance in the context of India's healthcare landscape, particularly in regions historically deprived of advanced medical infrastructure. For many communities, the hospital is a vital lifeline, eliminating the need for long-distance travel and reducing the financial burden associated with out-of-pocket healthcare expenses. As the sole blood bank for surrounding villages, ZMCH plays a critical role in emergency response, maternal health, and surgical interventions, directly contributing to improved health outcomes. Government records indicate a notable decline in Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR) in the region, underscoring the facility's impact on healthcare delivery and its contribution to combating malnutrition. Through this initiative, the Company reinforces its commitment to inclusive healthcare, community development, and long-term capacity building in India's most vulnerable regions.

Targets associated with access to healthcare services

The Company, through its Zydus Medical College and Hospital (ZMCH) in Dahod, is undertaking a transformative expansion of healthcare services in the region. Building on its existing capabilities in medicine, surgery, orthopedics, ENT, and ophthalmology, the ZMCH programme aims to introduce advanced specialisations such as neurosurgery, urology, and cardiology. This strategic enhancement will not only address the immediate health concerns of the local population but also significantly reduce the need for patients to travel outside the district for specialised care, thereby easing both financial and emotional burdens on families. By offering timely interventions for complex health conditions prevalent in the region, the hospital is poised to improve patient outcomes and elevate the standard of care.

In alignment with this vision, the Company also plans to establish a regional centre of excellence for the treatment of sickle cell disease—a condition endemic to the region. This initiative will focus on comprehensive care, including pre-natal diagnosis, disease management, rehabilitation, and health education. The goal is to eliminate sickle cell disease from the region by 2047 through a holistic approach that spans awareness, prevention, timely diagnosis, and post-treatment support, ultimately improving the quality of life for affected individuals and their families.

The integration of a national medical college with the hospital further strengthens the educational and healthcare ecosystem in Dahod. It provides local students with access to quality medical education, fostering a new generation of healthcare professionals who are deeply connected to the community and equipped to address its unique health challenges. This approach not only helps mitigate the shortage of medical personnel in underserved areas but also enhances the relevance and effectiveness of care delivered. As part of its commitment to community engagement, the hospital has implemented the 'Family Adoption Programme,' wherein each medical student adopts a local family during their internship to provide ongoing care and serve as a vital link between the community and the hospital. **To date, over 3,450 families have been adopted by five batches of undergraduate students, reflecting the Company's dedication to inclusive healthcare and grassroots impact.**

Zydus Medical Hospital, Dahod's Inclusive and equitable healthcare services at zero-cost.

Achievements and Goals

Service Type/Category	Patients service in FY2024-25	Target/Forecast for FY2025-26
OPD services	4,20,000+	4,43,100+
New admissions	45,000+	47,475+
Surgeries	~50,000	~52,750
Deliveries	5800+	5,908+
Neurosurgery	329	331
Urology	300	494
Lab tests	39,00,000+	40,09,000+
Radiology	2,20,000+	2,32,100+
Blood units issued	13,500+	15,298+

Progress associated with access to healthcare products

The Company has been actively expanding its biologics development efforts over the years as it has built one of the most comprehensive and diverse portfolios of biological products. The portfolio consists of 32 molecules (including biosimilars and novel biologics) and spans across multiple therapies such as oncology, autoimmune diseases, nephrology, inflammation, rheumatology, hepatology and infectious illnesses. In terms of geographical presence, the Company caters to patients of India and different emerging market countries and has commercialised 14 products (including one novel biologic) so far. The Company is one of the leading oncology players in India. On the emerging markets front, the Company is expanding its presence in different markets through partnerships with local players who are regional leaders. Building such a diverse portfolio in biotech research reflects the Company's deep commitment to innovation that directly enhances patient care, expands access to life-saving therapies, and improves health outcomes.

An update with respect to the progress made on biotech R&D front during the year for different geographies is given below:

India Market

- Received marketing authorisation approval from DCGI for Pertuzumab and Nivolumab biosimilars. Launched Pertuzumab biosimilar under the brand name Sigrima™ during the year.
- Completed clinical development for one product and applied for marketing authorisation approval.
- Submitted an application to DCGI seeking its permission to initiate Phase III clinical trials for one of the biosimilars.
- On the novel biologics front, Phase I clinical trials are going on for one of the molecules. The Company received permission from Review Committee on Genetic Manipulation (RCGM) to initiate pre-clinical studies for one of the antibody drug conjugates (ADCs).

Emerging Market

- Received marketing approvals from the Mexican regulatory authority for two products viz. Bhava™ (Bevacizumab biosimilar) and Mamitra™ (Trastuzumab biosimilar).
- Received marketing authorisation for Trastuzumab biosimilar from the regulatory authority of Myanmar, Adalimumab biosimilar from the regulatory authority of Colombia and T-DM1 from the regulatory authority of Bolivia.
- Initiated dossier filing procedure in South Africa, Cuba and Jamaica.
- Received GMP certificate for drug substance manufacturing facility from Eurasian Union.

Product innovation and Initiatives to facilitate accessible and Affordable Healthcare

Zydus focuses on innovative research and development strategies to enhance healthcare accessibility. By addressing critical needs through sustainable solutions, it aims to ensure the availability of essential medications at affordable prices, thus improving health outcomes for underserved populations. Zydus' research and development efforts encompass:

- **LiqMed: Innovative Liquid Oral Solutions:** Committed to advancing healthcare accessibility in emerging markets, Zydus develops liquid oral solutions that are both affordable and easy to consume. Focusing on the unmet needs of geriatric and paediatric patients with dysphagia, the R&D and manufacturing facility in the United Kingdom employs advanced techniques to produce challenging formulations. This dedication ensures vulnerable populations receive the essential medications they require.
- **Pioneering Generics: Ensuring Affordable Drug Supply:** Zydus' pioneering approach in generic drug development leverages state-of-the-art capabilities to introduce cost-effective generics promptly following the expiration of innovator product patents. This strategy guarantees the availability of life-saving medications at reduced costs in emerging markets, addressing critical healthcare needs. Recent successful launches of affordable generic versions of Apixaban and Mesalamine in the UK, Brazil and Italy exemplify this dedication to making vital treatments accessible to all.
- **India's First Oral Therapy for Anaemia:** Zydus' research and development efforts have yielded significant outcomes, exemplified by Oxemia® (Desidustat), India's first oral therapy for anaemia associated with CKD. This cost-effective alternative to injectable erythropoiesis-stimulating agents (ESAs) eliminates the need for cold chain logistics, offering a practical solution in tropical climates such as India. To date, Oxemia® has benefited over 65,000 CKD patients across the country, including those not undergoing dialysis and those with hard-to-treat anaemia. The Company is also actively collaborating with strategic partners to expand access to vaccines and biological products across both emerging and developed markets, enhancing the global availability of essential healthcare interventions.
- **Healthcare Accessibility through Innovative Biosimilars:** Ujvira stands as the world's first biosimilar of the antibody drug conjugate Kadcyla®, designed for breast cancer treatment. This brand was launched to enhance accessibility and affordability, allowing a broader range of patients to receive treatment that was previously cost-prohibitive. By offering a more affordable alternative to the innovator drug, Ujvira now benefits over 4,000 patients annually on account of the affordability of the product compared to the innovator brand.



Conducting research to develop new medicines for neglected diseases

1. Addressing Rabies as a Neglected Tropical Disease: Zydus Lifesciences' TwinRab Initiative

Rabies remains one of the World Health Organisation's (WHO) designated Neglected Tropical Diseases (NTDs), disproportionately affecting vulnerable populations in low-resource settings. Despite being preventable, rabies continues to claim tens of thousands of lives annually, particularly in Asia and Africa, due to limited access to timely and effective post-exposure prophylaxis.

Zydus Lifesciences Limited has taken a proactive role in combating this deadly disease through the development and deployment of **TwinRab, a life-saving biologic therapy designed for post-exposure treatment of rabies**. TwinRab is a rabies human monoclonal antibody (RMAb) cocktail that offers a unique combination of two monoclonal antibodies (mAbs), docaravimab and miromavimab, effectively neutralises rabies and rabies-like viruses. It is developed using recombinant DNA technology and provides standardised, safe, and effective passive immunisation against the rabies virus. The rabies vaccine is also pre-qualified by WHO and is also eligible for purchase by the UN agencies.

The Company's innovation in TwinRab aligns with its broader commitment to addressing neglected diseases and improving access to essential healthcare solutions. By offering TwinRab at an affordable cost and ensuring its



availability in high-burden regions, the Company contributes meaningfully to WHO's global strategy to eliminate human deaths from dog-mediated rabies by 2030.

Through TwinRab, Zydus Lifesciences demonstrates its dedication to public health, scientific innovation, and equitable access—core pillars of its sustainability and ESG strategy. The Company continues to collaborate with global health organisations and local governments to expand the reach of rabies prevention and support underserved communities. For more information, please visit <https://twinrab.com/>

2. Zydus Lifesciences' Advancements in Chikungunya Vaccine Development

Chikungunya, a mosquito-borne viral disease recognised by the World Health Organisation (WHO) as a public health concern, has long lacked an approved vaccine despite its debilitating impact in tropical and subtropical regions. Zydus Lifesciences Limited has taken a significant step forward in addressing this gap by seeking regulatory approval for its investigational Chikungunya vaccine candidate.

The Company's vaccine is designed to offer protection against the Chikungunya virus, which causes high fever, joint pain, and long-term arthritic complications. With this initiative, Zydus joins other leading Indian pharmaceutical companies in the race to develop a safe and effective solution to combat the disease, including other vaccine developers.

This development underscores the Company's commitment to innovation and public health, particularly in the area of neglected and emerging infectious diseases. By advancing its Chikungunya vaccine candidate through regulatory pathways, Zydus aims to contribute to national and global efforts to reduce the burden of vector-borne diseases and improve access to preventive healthcare in vulnerable populations. For more information, please visit <https://www.news-age.com/zydus-seeks-regulatory-nod-for-chikungunya-vaccine-joins-bharat-biotech-sii-in-race/>

3. Zydus Lifesciences' Commitment to Combating Leishmaniasis

Zydus Lifesciences Limited has received World Health Organisation (WHO) prequalification approval for both the active pharmaceutical ingredient (API) and formulation of Miltefosine, a key therapeutic agent used in the treatment of Leishmaniasis. With this milestone, Miltefosine will be included in WHO's prequalification list, significantly enhancing global access to the drug and supporting efforts to combat this neglected tropical disease.

Leishmaniasis is caused by protozoan parasites transmitted through the bite of infected female phlebotomine sandflies. The disease primarily affects impoverished populations and is closely linked to malnutrition, displacement, inadequate housing, weakened immune systems, and limited financial resources. It remains one of the WHO-recognised Neglected Tropical Diseases (NTDs), with a pressing need for effective and accessible treatment options.

The Company's achievement in securing WHO prequalification reflects its unwavering commitment to public health and its strategic focus on addressing diseases that disproportionately impact underserved communities. By ensuring the quality, safety, and efficacy of Miltefosine, Zydus Lifesciences reinforces its role as a responsible innovator and global healthcare contributor, advancing equitable access to life-saving medicines. For more information, please refer to the following link: <https://www.zyduslife.com/investor/admin/uploads/21/83/Zydus-receives-WHO-prequalification-for-Miltefosine-formulation-and-API.pdf>

4. Initiatives to address ultra-rare and orphan disease

Molecule Name	Indication	Current Status
NULIBRY™ (Fosdenopterin) for Injection	Molybdenum Cofactor Deficiency (MoCD) Type A	1) Holds marketing authorisation in the US, EU and Great Britain 2) Orphan Drug Designation by USFDA 3) Commercialised in the US 4) Executed exclusive distribution deal for the EU and the UK markets
Zokinvy® (Lonafarnib)	Hutchinson-Gilford Progeria Syndrome	1) Holds marketing authorisation in the US, EU, Great Britain and Japan 2) Commercialised in the US 3) Executed exclusive distribution deal for the EU and the UK markets
Zycubo - CUTX 101 (Copper Histidinate Product)	Menkes disease	1) Orphan Drug and Fast-Track Designation by the USFDA 2) NDA accepted for filing and granted priority review by the USFDA

The Company's U.S. specialty business is focused on orphan and ultra-rare diseases, driven by its wholly owned subsidiary, Sentyln Therapeutics Inc. The Company has expanded its presence in this niche segment through following three strategic acquisitions, reinforcing its commitment to address underserved patient populations:



In the U.S. generics space, the Company is recognised as a leading player with a broad portfolio across multiple dosage forms. It is now pivoting toward differentiated, value-driven complex generics to enhance patient care and fuel future growth. Despite challenges in API availability and process scale-up, complex generics offer attractive opportunities due to lower competitive intensity and greater market potential.

To counter price erosion and ensure continued access to high-quality, affordable medicines, the Company is strategically developing 207 products expected to be filed with the USFDA over the next five years. These include drug-device combinations, long-acting injectables, NCE-1/FTF opportunities, and Para IV filings, targeting a market valued at approximately US\$ 170 billion.

Additionally, the Company is leveraging licensing partnerships to accelerate development timelines for technically complex products. To date, it has successfully in-licensed 44 products, expanding access to essential therapies across a market worth approximately US\$ 89 billion (Source: IQVIA MAT February 2025).

Initiatives on improving access to medicine for vulnerable populations or Least Developed Countries (LDCs)

1. Medical treatment and facilities for vulnerable populations

Zydus Medical College and Hospital (ZMCH) in Dahod, Gujarat was established by the Company to address the critical healthcare needs of tribal and underserved populations in one of India's most backward and aspirational districts, as identified by the Government of India.

Prior to its establishment, the region lacked adequate medical infrastructure, forcing residents to travel to Godhra for even basic healthcare services. Since its inception, ZMCH has played a transformative role in enhancing the local healthcare ecosystem by providing free medical services to the community.

The state-of-the-art facility operates as a self-financed, brownfield medical college under a Public-Private Partnership (PPP) with the Government of Gujarat, in alignment with the state's Health Policy of 2016.

The institution not only delivers quality healthcare but also contributes to the development of medical talent and the creation of local employment opportunities. Through this initiative, the Company has significantly improved health indicators in the region and reaffirmed its commitment to inclusive and equitable healthcare access.

Key features of ZMCH includes:

- ❖ The Company provides free medical services at Zydus Medical College and Hospital (ZMCH), including OPD consultations, surgeries, anaesthesia, oral medicines, injectables, and meals—without any discrimination.
- ❖ ZMCH features advanced medical infrastructure with 1,034 beds, including 118 ICU and casualty beds, supported by oxygen plants, a state-of-the-art pediatric care unit, and 18 modular operation theatres.
- ❖ The hospital offers round-the-clock diagnostic services, including ultrasound sonography, 3D imaging, MRI, mammography, and dialysis.
- ❖ 24x7 emergency services are available to ensure timely care for critical cases.
- ❖ Over 4 lakh OPD cases till date reflects improved access to healthcare in Dahod and neighbouring underserved regions such as Banswara (Rajasthan), Jhabua and Alirajpur (Madhya Pradesh).
- ❖ The efforts of ZMCH are well aligned with Sustainable Development Goal (SDG) 03: Good Health and Well-Being, reinforcing the Company's commitment to inclusive healthcare.



2. Expanding Access and Advancing Innovation for Underserved Populations

The Company has made significant strides in improving access to screening and treatment for fatty liver disease and viral hepatitis across tier-2, tier-3 towns, and remote regions of India.

This initiative includes strategic partnerships with local health authorities, NGOs, and voluntary trusts, alongside the organisation of screening camps and diagnostic drives in rural villages, corporate offices, banks, public sector units, schools, and police departments.

Educational toolkits and clinical algorithms tailored to local contexts have been widely distributed to support awareness and early intervention. Liver scan machines have been deployed nationwide, including in hard-to-reach areas such as Kargil (Ladakh, Union Territory of India) and the Northeast, and are now operational in leading hospitals and clinics.

These efforts have enabled timely diagnosis and care, reinforcing the Company's position as a patient-centric leader in MASLD (Metabolic dysfunction-associated steatotic liver disease) management.

Through its wholly owned subsidiary, Sentynl Therapeutics Inc., the Company is at the forefront of rare disease innovation, focused on enhancing the accessibility and affordability of advanced treatment options.

The recent acceptance of the New Drug Application for CUTX-101, a therapy for Menkes disease, underscores the Company's commitment to transforming healthcare for underserved populations.

This milestone, achieved through strategic collaboration with Fortress Biotech and driven by cutting-edge clinical research, reflects the Company's mission to deliver pioneering medical solutions guided by patient-centric values and ethical practices.



3. Outreach and Awareness Initiatives for Patients and Healthcare Professionals

The Company advances educational and health outcomes for the public, patient communities, and healthcare professionals through comprehensive awareness initiatives. These programmes encompass a wide range of medical conditions, including hypertension, liver care, diabetes, gastrointestinal disorders, cancers, inflammatory diseases, nephrology, and cardiology.

In addition to educational outreach, the Company organises targeted screening camps to enable early detection of critical health conditions such as breast cancer, MAFLD (Metabolic Associated Fatty Liver Disease), MASH (Metabolic Associated Steatohepatitis), osteoporosis, and arthritis. These efforts reflect the Company's commitment to preventive healthcare and its role in fostering informed, healthier communities.

For more details, please refer to the Page No. 110-113 of Integrated Annual Report 24-25 at the following link: <https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf>

Medical products or drug donations

The Company has undertaken the following medical products/organ donations/medical awareness initiatives:

- **Upgradation of medical infrastructure:** The Company contributed funds of INR 551.59 million for financing / refinancing construction, operation and maintenance of infrastructure facilities of hospital & medical college at Dahod.
- **Sanitation Project:** The Company constructed five large toilet blocks for boys and girls in five rural schools worth INR 35.55 million in the Shirpur block of Maharashtra, benefiting 2,800 rural students.
- **Educational Programme:** The Company provided scholarships worth INR 11.36 million to 200 meritorious and financially needy pharmacy and tribal (underserved) students.
- **"NAVAH" Red Cross Experience Centre:** In collaboration with the Red Cross, the Company has launched the Navah Experience Centre in Ahmedabad—an innovative public engagement hub that blends art, technology, and education to raise awareness about blood and organ donation. Through immersive art installations and dynamic



digital media, Navah delivers a visually compelling experience aimed at informing and inspiring the community on the critical importance of donation.

Providing patient assistance to access and reimbursement support

The Company provides financial assistance to eligible commercially insured patients in the U.S. through a copay program designed to support out-of-pocket expense reimbursement.

During FY25, over 157 million prescriptions were filled in the U.S., reflecting a 4% growth compared to the prior year (IQVIA SMART Regulatory Insights TRx, April 2023–May 2025). Currently, nine product families are covered under the Company's copay program. In FY25 alone, the program reimbursed over USD 700,000 and helped alleviate the financial burden for more than 10,000 prescriptions.

Zydus Pharmaceuticals has also partnered with Mark Cuban Cost Plus Drug Company and Marley Drug to enhance access to its medicines for patients across the United States.

Local Capacity Building

Type of Activity: Research & Development

Description of Activity: Typhoid and shigellosis are significant public health concerns, particularly in low- and middle-income countries as per **Access to Medicine Index (ATMI) 2024**. To address this global health concern, the Company is developing a combination vaccine targeting typhoid and shigellosis, leveraging its WHO-prequalified Typhoid conjugate vaccine (ZyVac TCV) and a Shigella vaccine, as part of a long-term collaboration with the Gates Foundation.

The Company shall conduct early-stage development, animal immunogenicity studies and regulatory pre-clinical toxicology studies for this combination vaccine.

By collaborating with key partners and leveraging own research and development capabilities to provide novel solutions, the Company aims to bridge unmet needs through high-quality, and affordable vaccines that can create a sustainable impact in global public health. For more details, please refer to the following link: <https://pharmacyinfo.com/pharma-news/zydus-typhoid-shigella-vaccine-gates-foundation/>

Type of Activity: Manufacturing

Description of Activity: Zydus Lifesciences has entered into a long-term strategic partnership with Agenesis Inc. (USA), aimed at the development, manufacturing, and commercialisation of next-generation cancer immunotherapies—botensilimab and balstilimab (BOT/BAL).

Under this agreement, Zydus holds exclusive rights to develop and market these therapies in India and Sri Lanka and will lead clinical development and regulatory approvals in these regions.

This collaboration represents a major advancement in immuno-oncology, enhancing access to innovative cancer treatments for patients in South Asian countries, mapped in Access to Medicine Index (ATMI) 2024. For more details, please refer to the following link: <https://investor.agenusbio.com/news/news-details/2025/Agenesis-and-Zydus-Lifesciences-Enter-141M-Strategic-Collaboration-to-Advance-BOTBAL-Expand-Zydus-Biologics-Manufacturing-in-the-US/default.aspx>

Type of Activity: Pharmacovigilance

Description of Activity: As part of its long-term programme to strengthen local pharmacovigilance capabilities, Zydus Lifesciences has undertaken targeted initiatives across multiple regions.

In Mexico, the Company has digitalised its pharmacovigilance (PV) tracking system to streamline safety data management and improve reporting efficiency.

In South Africa, continuous training programmes have been implemented to enhance employee expertise in drug safety, alongside active monitoring of Safety Data Exchange Agreements (SDEA) with partners and ZLL, supported by monthly reconciliation processes.

In Uganda, focused team training has been conducted to improve the collection and reporting of adverse events (AE), adverse drug reactions (ADR), adverse events following immunisation (AEFI), and product quality complaints. These efforts reflect Zydus' dedication to building robust, region-specific PV infrastructure that supports global health standards.

Type of Activity: Patient Education

Description of Activity: Zydus Lifesciences continues to advance its commitment to patient-centric healthcare through a range of long-term initiatives tailored to local needs across multiple countries.

In Mexico, the Company conducts webinars for doctors as part of continuous medical education, planned semiannually or annually based on product-specific requirements. These sessions are delivered both online and in person, with a stronger emphasis on face-to-face engagement.

In Myanmar, Zydus launched a public awareness campaign on obesity and its associated risks, leveraging World Obesity Day and social media outreach through a qualified local influencer to educate the general public.

In South Africa, patient support programmes have been implemented for key therapies such as Zyquis (Apixaban) and Daglif (Dapagliflozin), with ZYLA currently under development to further enhance patient engagement and adherence.

In Sri Lanka, the Company initiated departmental meetings to facilitate health talks with doctors on conditions like asthma, COPD, osteoporosis, pain management, and the importance of calcium and vitamin D. A comprehensive patient care initiative includes screening for vital health parameters such as haemoglobin levels, uric acid, blood pressure (via APBM), ECG, sleep apnea, uroflowmetry, spirometry, lipid profile, vitamin D levels, and nerve function using a biothesiometer. Health awareness is further promoted through regular distribution of digital and physical materials aligned with international health days.

In Uganda, Zydus has focused on team training to improve patient communication around lifestyle management and adherence to pharmacotherapy. These efforts utilize tools approved by the National Drug Authority (NDA), including patient education leaflets, disease awareness posters, and counseling during screening camps.

In India, Zydus engages in advancing educational and health outcomes for the public, patient groups, and healthcare professionals through comprehensive awareness initiatives. These sessions cover a variety of medical conditions, including hypertension, liver care, diabetes, gastrointestinal diseases, cancers, inflammatory diseases, nephrology, and cardiology. Furthermore, screening camps are organised to facilitate the early detection of diseases such as breast cancer, MAFLD, MASH, osteoporosis, and arthritis. For more information, please refer to Page No. 110-113 of the Integrated Annual Report FY24-25 at the following link: <https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf>

Together, these initiatives reflect Zydus' sustained efforts to improve health outcomes through patient education, screening, and support tailored to regional healthcare priorities.



Type of Activity: Provider Education

Description of Activity: Zydus Lifesciences continues to strengthen its long-term commitment to healthcare advancement through region-specific initiatives focused on education, diagnostics, and capacity building.

In Myanmar, the Company addressed the growing risk of obesity and its link to metabolic and liver disorders (MSLD) by organising a major hybrid symposium in Yangon, attended by over 200 clinicians. Complementing this effort, free screenings—including blood pressure, HbA1c, and lipid profile tests—were conducted across several private clinics. Additionally, regular coaching and training sessions were held for marketing staff to enhance their understanding of disease awareness and patient engagement.

In Sri Lanka, Zydus has actively engaged healthcare professionals (HCPs) through a series of academic and scientific initiatives. These include participation in conferences featuring both international and national speakers, a fetal abnormalities theory course and workshop in collaboration with FMF India, and hands-on training in laparoscopic surgical techniques at Akola, India. The Company also conducts Continuing Medical Education (CMEs) and departmental meetings under the Zydus Air program to raise awareness about asthma and Chronic Obstructive Pulmonary Disease (COPD).

To further support clinical excellence, Zydus provides annual subscriptions to global education platforms such as Uptodate, Access Medicine (McGraw Hill), Journal of the American Academy of Orthopaedic Surgeons (JAAOS), and Advanced Ophthalmic Systems (AOS).

International webinars are hosted in collaboration with Access Medicine on topics like perioperative medicine and haematology, while Sri Lankan doctors regularly participate in global events such as the Cardio Metabolic Conclave, Neutro Spectrum, and Prime Summit.

In Uganda, Zydus empowers physicians with diagnostic tools that aid in the effective identification and management of non-communicable diseases (NCDs) such as hypertension, dyslipidemia, type II diabetes, asthma, and COPD. These tools include glucometers, blood pressure monitors, lipid detection machines, biothesiometers, Kribado pain score devices, artery check pulse oximeters, and spirometry screening equipment.

These initiatives reflect Zydus' sustained efforts to improve healthcare delivery and clinical outcomes through provider education, diagnostics, and strategic engagement with medical communities.

Type of Activity: Supply Chain Management

Description of Activity: Supply chain management is a material issue for Zydus Lifesciences, and the Company consistently takes proactive measures to reduce the environmental impact of its logistics operations.

In Mexico, enhancing warehouse capacity has provided Zydus Lifesciences with significant operational advantages, strengthening the efficiency and resilience of its supply chain. With expanded storage space and an optimised layout, the Company can manage larger inventory volumes, reduce stockouts, and respond more effectively to evolving market demands.

The increased capacity also facilitates better segregation of goods, smoother picking and dispatch processes, and improved compliance with safety standards.

Furthermore, it supports scalability to accommodate long-term growth, minimises logistical bottlenecks, and reinforces supply chain continuity, ensuring timely deliveries and greater customer satisfaction.

In the Philippines, more than 80% of imports are transported via sea—recognised as green imports—while 95% of inter-island distribution also utilises marine routes. This approach not only ensures reliable access to medicines across the archipelago but also significantly lowers the Company's carbon footprint, reinforcing its commitment to sustainable and responsible logistics practices.

Impact on Access to Healthcare

The Company tracks and discloses the total number of patients, and number of patients with low-cost access to the organisation's products or services as per the following:

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Number of patients with low-cost access to the organisation's products or services to address diseases/conditions	7,23,000	11,28,000	20,30,000	25,37,700
Total number of patients for the organisation's products or services to address diseases/conditions	8,85,000	13,23,000	22,73,000	28,20,000

Fair Pricing

Weighted Percentage Y-o-Y change in:	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Average List Price	-5.7%	-6.9%	-5.4%	-0.71%
Average Net Price	-10.6%	-5.3%	1.1%	3.16%

Contribution to Increasing Healthcare Efficiency

Zydus Lifesciences has contributed to increasing healthcare efficiency by offering cost-effective therapeutic solutions that reduce the overall burden on healthcare systems. Through health economic evaluations—such as cost-effectiveness, cost-utility, and cost-benefit analyses—Zydus products have demonstrated favourable outcomes compared to standard therapies and competitive innovations.



For instance, Zydus' generic and biosimilar portfolio provides high-quality alternatives at significantly lower costs, improving access while maintaining therapeutic efficacy. Products like Lipaglyn (Saroglitazar), used for diabetic dyslipidemia and NASH, have shown promising cost-utility profiles by reducing long-term complications and associated treatment costs compared to conventional lipid-lowering agents. Similarly, Zydus' vaccine initiatives, including ZyCoV-D, offer scalable immunisation options with lower per-dose costs, contributing to public health savings during mass vaccination campaigns.

By integrating affordability with clinical effectiveness, Zydus supports healthcare systems in optimising resource allocation, improving patient outcomes, and expanding access to essential medicines—reinforcing its role in driving sustainable healthcare efficiency.

Zydus Lifesciences prioritises the production of generics to ensure essential treatments are accessible and affordable, without compromising on quality. To support this vision, the Company has implemented cost-efficiency measures across its manufacturing operations, including investments in solar energy and water management to reduce its environmental footprint and utility costs. Automation has enhanced production reliability by increasing batch sizes and minimising reruns, while sustainable packaging practices contribute to ESG goals and supply chain efficiency. These efforts collectively enable Zydus to offer a distinct cost advantage over standard therapies and competing innovations.

Energy conservation is integral to Zydus' operational excellence. The Company maintains a pool of certified energy auditors through the Bureau of Energy Efficiency (BEE), Government of India, and conducts external audits every three years. Through its "Manthan" initiative, cross-functional teams collaborate to identify and implement energy-saving ideas using the *G-E-A-R framework—Generation, Evaluation, Accrual, and Realisation*—ensuring structured progress and continuous improvement.

Initiative	Batch size increase	Cycle Time reduction	Product Throughput Improvement
Activity	Enlarging batch sizes to streamline production	Rationalizing workflows to exclude redundant steps	Enhancing shift-end protocols and equipment shutdown efficiency
Benefits/Efficiencies	Reduced process inefficiencies, enhanced productivity, and lowered utility expenditures	Cost containment in utilities and staffing through improved workflows	Streamlined human resource deployment and conservation of operational resources

Zydus Lifesciences has implemented more than 100 ideas having cost savings of approximately INR 30 Cr through SLIM improvement initiatives, which are vital for maintaining sustainable operations and ensuring medicines are delivered to distributors and consumers at competitive prices. These savings stem from targeted efficiency measures across the production lifecycle, including automation, optimised energy use, and resource management.

As a generics-driven Company, Zydus centrally monitors and refines its manufacturing processes to minimise expenses across its product portfolio. This enables cost benefits to be passed along the supply chain—supporting dealers, distributors, and customers. By reducing variable costs, Zydus strengthens its cost competitiveness while ensuring its therapies remain affordable, accessible, and a preferred alternative to branded options, contributing to more sustainable healthcare delivery.

Through structured and focused efforts to reduce utility costs, Zydus has successfully lowered power and fuel expenses per metric ton of product manufactured from ₹0.82 million in FY2024 to ₹0.54 million in FY2025. This improvement in operational cost efficiency, driven by optimised energy utilisation and opting for lower cost energy sources, has resulted in a reduction of over ₹1,700 million in absolute utility expenses over the past year.

For more details on the reduction in utilities consumption (electricity, fuel), please refer to Page No. 195 of the Integrated Annual Report FY24-25 at the following link: <https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf>

Measuring Contribution to Health Outcome

Zydus Lifesciences remains steadfast in its commitment to advancing health outcomes through targeted prevention and awareness initiatives. In FY 2024–25, the organisation engaged a wide spectrum of patients across impactful programmes addressing liver health, cancer awareness, and chronic kidney disease, epilepsy, diabetes etc. By leveraging key performance indicators, such as patient reach and the number of programmes executed, Zydus continuously evaluates its effectiveness and refines its strategies.

Looking ahead to FY 2025–26, the Company is poised to broaden its reach, aiming to empower even more individuals with essential health information and access to critical services.



Prevention	Key Programmes	KPI used to measure impact (e.g. No. of patients reached)	Impact FY 2024-25	Forecast Impact FY 2025-26
Nephrology	Life ka Filter Campaign: Public health awareness campaign for kidney health.	No. of public reach/ Impressions/ engagement/video views on social media platforms and websites for sensitisation and increase awareness	- Launch of two Digital advertisement films including three vernacular versions, Six podcasts covering nine key opinion leaders (KOLs) & eleven influencer videos and two advertisements in print media of national forum (TOI) towards spreading awareness on CKD. - Publication of book "Life ka Filter" in eight vernacular languages in collaboration with Kidney Warriors Foundation and Michelin Star chef Mr. Vikas Khanna encompassing inspiring stories from real life patients living with CKD/ transplant alongside especially curated CKD patient friendly recipes by chef Vikas Khanna. - Public Reach :190Mn Impressions :257Mn Video Views :178Mn Engagement :10Mn Website Traffic :334K	Further strengthen the campaign to expand its reach and build public awareness around kidney health by enhancing engagement across print and electronic media. Additionally, boost participation on social media platforms to achieve over >02Mn public reach, >03Mn impressions, >190Mn video views, upwards of 12 million engagements, and > 400K website visits.

Prevention	Key Programmes	KPI used to measure impact (e.g. No. of patients reached)	Impact FY 2024-25	Forecast Impact FY 2025-26
Nephrology	On-ground engagement activities to spread awareness about Chronic Kidney Disease (CKD) through the "Life ka Filter" campaign on World Kidney Day (WKD).	No. of Hospitals/Drs/ Patients reached	150+ hospitals/clinics. 450+ Nephrologists across India engaged with more than 10000+ patients to raise awareness on kidney health and living well with CKD . - Partnered with Indian Society of Nephrologists (ISN) on the occasion of WKD for kidney health awareness	- Continue to scale activities with apex bodies like ISN and important events like WKD to drive awareness, timely diagnosis and accessibility to treatment by reaching: 180+ Hospitals/ Clinics 500+ Nephrologists with more than 12000+ patients - Collaboration with reputed bodies that can contribute in increase awareness toward CKD
Oncology	Touchless Screening for Breast Cancer	Number of camps conducted to offer early breast cancer detection for high-risk women over 40 as an alternative for mammogram-based screening.	Executed 30 such camps covering > 500 females for screening	40+ camps with screening of >600 females.
Oncology	Awareness on "Breast Cancer" through Social/print/ TV media	No. of people outreach for the campaign: "Easiest Examination" to create awareness and to promote Breast Self-Examination	> 02Mn people reached via social media campaigns	Increase of awareness by people outreach >2.5Mn
Oncology	Awareness programmes at corporates/ teaching institutes and Hospitals	No. of awareness talks followed by clinical screening by Medical Oncologist and trained Nurses	Covered 50 such corporates/ teaching institutes/ hospitals along with rural places to create awareness and engaging > 5000 people	Coverage of >60corporate/ teaching institutes with engagement of >6000 people

Mn: Million

Diagnosis	Key Programmes	KPI used to measure impact	Impact FY 2024-25	Forecast Impact FY 2025-26
Vaccines – Awareness & Adoption (Category Shaping & Market Shaping program.	• World Immunisation Week – Asia Book of Record • Flu Vaccine Liya Kya – Mega Mass awareness initiative on Influenza vaccine awareness • VIRAM – Full Stop on Rabies	• 5000 Healthcare Professional (HCP) reached for creating unified awareness in around 100000+ Patient on Vaccine preventable (VPD)- Achieved Record holding in Asia Book of Record • Digital & Physical campaign improving the overall consumer awareness & HCP Engagement for adoption • TwinRab* : The category-shaping Access and Activation effort for Twinrab™ will further strengthen its reach through the VIRAM initiative.	• Improve Brand image, Awareness & Brand growth of 18%. • 4000+ HCP Clinic Geotagged, 200+ Awareness HCP Videos, 75+ Content on Social Media, Persona Video, Network 18 awareness partnership & 360 degree marketing mix to achieve the adoption objective of influenza vaccine. • Access of Twinrab in 4 new formularies through expert recommendation in 2025. Activation & liquidation through Category shaping exercise in existing targeted institute	• Brand awareness with improved brand perception & HCP engagement will help improve adoption & market share of Zydus Influenza vaccine – Projected volume growth of 30-35%. • TwinRab 50% Growth forecasted in 2025

* Twinrab™, developed by Zydus, is India's first monoclonal antibody cocktail for rabies post-exposure prophylaxis

Treatment	Key Programmes	KPI used to measure impact	Impact FY 2024-25	Forecast Impact FY 2025-26
Nephrology-Transplant	• World Organ Donation Day Awareness • Digital Awareness activities through KOL radio bytes and webinars	• Number of programmes conducted across India • Number of patients impacted	• 50+ doctors engaged. • Reached out to 3500+ patients	• 100+ doctors • 5000+ patients
Oncology	Anaya Patient care application	To provide care along with treatment which includes diet, counselling support along with free drug support	5000 breast cancer patients are part of Anaya care	Forecast :6000+ patients as beneficiaries

*Anaya Care: A patient-centric support program designed to provide holistic care beyond medication, especially for individuals undergoing treatment with Zydus therapies.

End to End cycle solutions	Key Programmes	KPI used to measure impact	Impact FY 2024-25	Forecast Impact FY 2025-26
Zydus Medical College and Hospital at Dahod	Delivers comprehensive, end-to-end patient care through its high-quality tertiary care facility. From community sensitisation sessions to post-treatment support, every stage of the patient journey is thoughtfully managed to ensure holistic healing and well-being	No. of patients serviced/ treated	1,20,000+ patients provided post care treatment and rehabilitation support	150,000+ patients targeted to provide post care treatment and rehabilitation support

Accessibility and Transparency of Research



At Zydus Lifesciences, the Company upholds the principles of transparency and responsible data sharing in its research practices. It is dedicated to disseminating key information including **clinical trial results, post-marketing study findings, anonymised patient-level data, demographic insights of research participants, cost-effectiveness evaluations, and health economics outcomes**. These data are shared with a broad spectrum of stakeholders, ranging from researchers, regulators, and payors to healthcare professionals, clinical trial participants, and patient advocacy groups, to foster informed decision-

making and collaborative progress in healthcare.

The Company ensures accessibility of research data and outcomes by transparently publishing details on its web portal, in research journals, and other relevant platforms, which can be accessed through the following links: <https://zyduslife.com/research.html>; <https://zydustx.com/publications/>; <https://clinicaltrials.gov/>; [https://www.journal-of-hepatology.eu/article/S0168-8278\(21\)02023-7/abstract](https://www.journal-of-hepatology.eu/article/S0168-8278(21)02023-7/abstract)

Cost effectiveness analysis and pharmaeconomic/health economics data

Zydus Lifesciences has received a Notice of Compliance (NOC) from Health Canada for its generic Liothyronine tablets in 5 mcg and 25 mcg strengths, used in the treatment of hypothyroidism. This synthetic form of the thyroid hormone T3 (triiodothyronine) helps regulate metabolism and energy levels in patients with insufficient thyroid hormone production.

The approved product is manufactured at the Company's Ahmedabad SEZ facility in India. According to IQVIA MAT data from June 2025, the Canadian market for Liothyronine tablets is valued at CAD 10.9 million annually.

This approval strengthens Zydus' presence in the North American generics market by offering a cost-effective alternative for patients requiring precise thyroid hormone supplementation.

In alignment with its commitment to affordability and improved healthcare outcomes, and in support of the government's directive, the Company has transferred the cost benefit to patients by reducing the prices of its medicines by 7%, thereby making medical treatment and hospitalisation more cost-effective and accessible.

Customer Relations

Ethical Marketing Commitment

Zydus Lifesciences Limited places ethical marketing at the core of its business practices. The Company is committed to ensuring that communications, whether promotional or non-promotional, are transparent, scientifically accurate, and compliant with applicable regulations. Through responsible engagement with healthcare professionals, patient organisations, and the public, the Company upholds integrity, fosters trust, and supports informed healthcare decisions.

Commitment to provide accurate and balanced information about the products/services

Zydus Lifesciences Limited is committed to delivering clear, accurate, and scientifically validated information about its products and services to all customers. All promotional activities strictly adhere to approved therapeutic indications as sanctioned by relevant regulatory authorities. This approach safeguards patient welfare and reinforces the Company's dedication to ethical and compliant marketing practices.

Commitment to provide information about the products/services that is not misleading

At Zydus Lifesciences Limited, the Company ensures that the promotional and non-promotional content is subject to a thorough internal evaluation process by the concerned function, backed by validated clinical research and approved regulatory data to uphold clarity, accuracy, and compliance, minimising the risk of misinterpretation or misleading or misinformation.

Ensure ethical interactions with patient groups and/or healthcare professionals

Zydus ensures ethical interactions with healthcare professionals demonstrating its commitment to ethical marketing practices through adherence to established industry codes and internal policies. The Company affirms compliance with the Uniform Code for Pharmaceuticals Marketing Practices (UCPMP), which outlines standards for ethical promotion, interactions, and transparency in the pharmaceutical sector.

Ethical involvement with patient organisations

Zydus Lifesciences commits to engaging with patient organisations in a transparent and ethical manner that fully respects their independence. The Company ensures that its support does not influence their decisions, advocacy, or public communications, maintaining clear boundaries to uphold trust and integrity.

Report transparently regarding contributions to healthcare professionals

Zydus Lifesciences is committed to transparently disclosing collaborations and contributions to healthcare professionals. The Company ensures that such engagements uphold ethical integrity and regulatory compliance.

Provision for approval of promotional materials before use

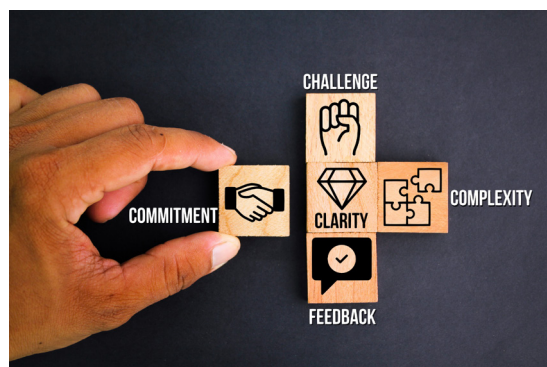
Zydus Lifesciences Limited is committed to marketing and promoting its products and content only after obtaining necessary approvals through a rigorous internal review process and from relevant regulatory authorities. No material is released into the public domain without ensuring full compliance with applicable laws, industry codes, and approved product labelling.

Provision for approval of non-promotional materials before use

Zydus Lifesciences Limited is committed to ensuring that all non-promotional content i.e. scientific research and educational study, undergoes thorough evaluation based on scientific and regulatory standards to ensure accuracy, relevance, and compliance with applicable regulations.

Direct-to-Consumer

Zydus Lifesciences Limited does not engage in direct-to-consumer marketing of its prescription products. As per Indian regulations, Direct to consumer marketing, i.e., advertising prescription medicines directly to patients under Indian



regulations is governed by [The Drug and Cosmetics Act, 1940 (DCA) and the Drugs and Cosmetics Rules, 1945 (DCR)]. DCR prohibits the manufacturers of medicines identified in Schedule H, H1 and X of the DCR from indulging in any form of advertisement. For other drug categories, patient education and training/ knowledge dissemination is permitted, which does not qualify as direct to consumer marketing.

Engaging with Customers

Zydus actively engages with its customers to build strong relationships and extend business opportunities. This ongoing connection allows the Company to understand industry challenges and accommodate the diverse needs and aspirations of the customers.

Customer Relationship Management

Zydus has established comprehensive processes for addressing queries and grievances, including medical information and adverse events, ensuring quick acknowledgment and efficient resolution.

Query Management Process

Systems have been established for receiving, recording, investigating, and responding to product quality complaints related to products and saleable intermediates manufactured, marketed, and/or distributed by Zydus. Complaints can be received verbally, in writing, or through electronic means such as post, fax, email, telephone, or in-person, along with any supporting evidence like samples or photographs. Upon receipt, complaints are logged and acknowledged with any necessary additional information for further investigation. Complaints are categorised into critical, major, minor and a preliminary investigation is conducted in accordance with applicable regulations.

Investigations are conducted within a stipulated timeframe to identify the root cause, assess impact, evaluate risks to product quality and patient safety, and decide on appropriate corrective and preventive actions. Immediate actions may be required, such as product recalls, alert notifications to regulatory agencies, or suspending product manufacturing. Responses to complaints are provided within 60 days, and feedback from the complainant is awaited before closing the complaint.

Grievance Resolution Process



Customer Safety and Awareness

Customers can access comprehensive information about the products, services, and therapeutic areas that Zydus offers, through various platforms. Company's official website features detailed resources on research and products and is accessible at <https://www.zyduslife.com/research.html>. Additionally, to promote the safe and responsible use of its pharmaceutical products, Zydus has implemented clear and comprehensive labelling on all items, including detailed usage instructions, dosage guidelines, and storage conditions. Each prescription product is accompanied by a Product Insert (PI), which provides essential information on potential side effects, storage requirements, and usage precautions. These measures ensure that customers are well-informed, thereby enhancing the safe utilisation of medications.

In FY 2024-25, there were no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, and marketing communications.

The Company has appointed a dedicated Brand Protection Team that actively conducts market surveillance to identify counterfeit products. This team collaborates closely with state drug authorities and police officials to act against counterfeit operations. The team also evaluates such cases, pursuing appropriate legal actions, including filing FIRs and

prosecuting offenders. These efforts, including operations against counterfeit squads, are also publicised in the media. To further address this issue, continuous improvement measures are implemented such as introducing authenticity checks at the customer level, to prevent the distribution and use of counterfeit products. All products are regarded as significant and the team at Zydus evaluates the health and safety impacts of each product with the same level of precision.

Ethical Marketing Performance

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Incidents of non-compliance concerning product and service information and labelling	0	0	0	0
Incidents of non-compliance concerning marketing communications	0	0	0	0
Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	0	0	0	0



Privacy Protection

Privacy Policy : Systems / Procedures

Zydus Lifesciences is committed to safeguarding the privacy and personal data of individuals in accordance with applicable laws and regulations by establishing a formal data privacy policy (internal). The Company's privacy policy outlines the principles and practices governing the collection, use, storage, and protection of personal and sensitive information.

The Company has implemented following measures to ensure effective implementation of its privacy policy:

- ❖ The policy applies to all employees, contractors, consultants, subsidiaries, affiliates across all business units of the Zydus Lifesciences Limited.
- ❖ Any complaints, abuse or concerns with regards to the processing of information provided by you or breach of these terms shall be immediately informed to the designated Grievance Officer (Data Protection Officer-DPO) as mentioned below via in writing or through email signed with the electronic signature to dpo@zyduslife.com. The DPO shall be responsible for overseeing management of the breach in accordance with Privacy Breach Management Policy (internal policy) and in line with locally prevalent privacy laws.
- ❖ All employees of the organisation are required to adhere to the provisions of the Privacy Policy. In line with this commitment, each employee must participate in an annual awareness activity and formally acknowledge the Privacy Policy through a sign-off process.
- ❖ Privacy policy and procedures are embedded in the internal legasis compliance management system of the Company. Zydus Lifesciences Limited ensures that data privacy activities are conducted in strict adherence to applicable laws and regulations.
- ❖ The Data Protection Officer categorises reported incidents as low, moderate, or high based on their impact on the organisation. These assessments are shared with identified and respective stakeholders for further communication and action. The supervisory authority then undertakes corrective measures in accordance with applicable laws to mitigate risks and take appropriate disciplinary action against the offender.
- ❖ The Company conducts external audits of the privacy policy compliance and procedures from independent subject matter experts at regular interval of time.
- ❖ **During the reporting year 2025, there were zero reported incidents of data privacy breaches.**
- ❖ As part of internal audit mechanism, the Company conducts privacy audit annually to ensure compliance with its privacy policies and related procedures, applicable laws, regulations, and other contracts.

The Company's Privacy policy can be referred from the following link: [12. Zydus_Privacy Notice_vFinal\(For Website_long version\)24.2.2022.pdf](#)



Customer Privacy Protection

As a leading pharmaceutical Company, Zydus handles sensitive personal data with a deep commitment to privacy and regulatory compliance. As part of its responsibility to patients, healthcare professionals, and consumers, the Company has implemented robust data protection measures to ensure that personal information—such as contact details, health records, and service interactions—is collected, processed, and stored securely.

The following are key aspects of customer privacy protection managed by the Company:

1. **Nature of information captured:** The Company may collect, use, store, and transfer personal information, such as name, email, and customer details, to manage complaints, facilitate resolutions, gather feedback, provide technical support, or offer other forms of assistance. For more details, please refer to Page no. 2 of Zydus Privacy Notice at the following link: [https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal\(For%20Website_long%20version\)24.2.2022.pdf](https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal(For%20Website_long%20version)24.2.2022.pdf)

2. **Use of the collected information:** The Company only collects, stores and uses personal data on for "legitimate purpose". The Company uses information to provide, analyse, administer, enhance and personalise its service and business efforts, to process customer registration, to provide or obtain services, and for communication. For more details, please refer to Page no. 1 of Zydus Privacy Notice at the following link: [https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal\(For%20Website_long%20version\)24.2.2022.pdf](https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal(For%20Website_long%20version)24.2.2022.pdf)
3. **Possibility for customers to decide how private data is collected, used, retained and processed:**
 - a) **Opt-out option:** The Company provides opt-out information and complies with each valid opt-out request in relation to marketing communications.
 - b) **Opt-in consent:** The Company has formalised opt-in consent measure as cookie banner statement which states that "By continuing to browse this site, you are consenting to the use of cookies for providing you optimum site performance, best user experience and tracking usage of our website to improve our product & services offerings". For more details, please refer to Page no. 3 of Zydus Cookie Policy at the following link: https://www.zyduslife.com/public/pdf/Cookie_Policy.pdf
 - c) **Request access to data held by the Company:** The Company grants individuals the right to submit a Data Subject Access Request (SAR). Data subjects may request, in writing, access to copies of their personal data held by the Company. Each request must clearly specify that it is a SAR. The Company will process such requests in accordance with applicable legal limitations, exemptions, and with due regard to the rights and privacy of other individuals. For more details, please refer to Page no. 3 of Zydus Privacy Notice at the following link: [https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal\(For%20Website_long%20version\)24.2.2022.pdf](https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal(For%20Website_long%20version)24.2.2022.pdf)
 - d) **Request their data to be transferred to other service providers:** In certain circumstances, data subjects may request a copy of their personal data in a structured, commonly used, and machine-readable format, and may ask for it to be transferred to another provider offering the same or similar services. The Company does not consider this right to be applicable to its services. However, to the extent that it is, the Company will comply with such transfer requests. It is important to note that transferring data to another provider does not imply the erasure of the data subject's personal information, which may still be retained by the Company for legitimate and lawful purposes. For more details, please refer to Page no. 3 of Zydus Privacy Notice at the following link: [https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal\(For%20Website_long%20version\)24.2.2022.pdf](https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal(For%20Website_long%20version)24.2.2022.pdf)
 - e) **Request their data to be corrected:** Individuals have the right to request that the Company rectify any inaccurate or incomplete personal data held about them. Upon receiving such a request, the Company will take appropriate steps to verify and correct the information in accordance with applicable data protection laws. For more details, please refer to Page no. 3 of Zydus Privacy Notice at the following link: [https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal\(For%20Website_long%20version\)24.2.2022.pdf](https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal(For%20Website_long%20version)24.2.2022.pdf)
 - f) **Request their data to be deleted:** Individuals may request the Company to erase their personal data. The Company will comply, unless there is a lawful reason for not doing so. For more details, please refer to Page no. 3 of Zydus Privacy Notice at the following link: [https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal\(For%20Website_long%20version\)24.2.2022.pdf](https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal(For%20Website_long%20version)24.2.2022.pdf)
4. **Retention and Disposal of Personal Data:** The Company will only retain individual's personal information for as long as necessary to fulfil the purposes the Company collected it for, including the fulfilment of the contract, the initiation of a contract, or for the purposes of satisfying any legal, accounting, or other regulatory reporting requirements. For more details, please refer to Page no. 2-3 of Zydus Privacy Notice at the following link: [https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal\(For%20Website_long%20version\)24.2.2022.pdf](https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal(For%20Website_long%20version)24.2.2022.pdf)
5. **Information protection:** The Company has put in place appropriate security measures to prevent individual's personal information from being accidentally lost, used, or accessed in an unauthorised way, altered or disclosed. In addition, the Company limits access to personal information only to those employees, agents, contractors



and business associates who have a business need to know. They will only process personal information on the Company's instructions, and they are subject to a duty of confidentiality. For more details, please refer to Page no. 5 of Zydus Privacy Notice at the following link: [https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal\(For%20Website_long%20version\)24.2.2022.pdf](https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal(For%20Website_long%20version)24.2.2022.pdf)

6. **Third-party access to personal data:** The Company operates globally and may transfer personal information to individual entities of Zydus affiliated companies or third parties in locations around the world for the limited purposes described in this privacy policy.

Wherever the personal information is transferred, stored or processed by the Company, reasonable steps are taken to safeguard the privacy of personal information. For more details, please refer to Page no. 5 of Zydus Privacy Notice at the following link: [https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal\(For%20Website_long%20version\)24.2.2022.pdf](https://zyduslife.com/public/pdf/12.%20Zydus_Privacy%20Notice_vFinal(For%20Website_long%20version)24.2.2022.pdf)

7. **The Company monitors the percentage of users whose customer data is used for secondary purposes:** For the reporting year 2024-25, the percentage of users whose customer data is used for secondary purposes is **zero**.



Corporate Social Responsibility

Social capital is driven by the visionary ideals of the Founder Chairman, founded on a rich legacy of innovation, education, healthcare, and community engagement. With the support of the Corporate Social Responsibility (CSR) initiatives, the Company actively sustains healthier communities by addressing unmet healthcare, skill development, and environmental needs while advancing education and research and engaging in meaningful societal outreach. These efforts demonstrate the Company's dedication in making socially responsible contributions that enhance the well-being of communities and lead their development agendas.

The CSR activity of ZMCH is well aligned with Sustainable Development Goal (SDG): 03 (Good Health and Well Being). An independent agency conducted the SIA, M/s SoulAce Consulting Pvt. Ltd. and the details of the assessment can be found from the following link: <https://www.zyduslife.com/public/pdf/Zydus-Impact-Assessment-24.pdf>

Further details of the Company's CSR Programme can be found on Page 114-137 of the Company's Integrated Annual Report FY2024-25 at the following link: <https://www.zyduslife.com/investor/admin/uploads/14/2/2024-2025.pdf>



ESG Accolades & Performance Outcomes



SABERA Responsible Business of the Year Award 2024



CII National Award Best Environmental Project 2025



SUSTAINALYTICS

Sustainalytics ESG Risk Rating
28.6 (Lower the better)



CRISIL ESG Score
61 (Higher the better)



ESG Risk
Assessments & Insights
66 (Higher the better)



FTSE ESG Score
3.2 (Higher the better)



Ecovadis ESG Rating
61 (Higher the better)



CSA by S&P Global 2024
78 (Higher the better)



NSE
Sustainability
Ratings & Analytics

NSE Sustainability Ratings and Analytics Limited
67 (Higher the better)

CERTIFICATE OF MEMBERSHIP

This is to certify that

Zydus Lifesciences

is a constituent company in the FTSE4Good Index Series



FTSE4Good

June 2025

The FTSE4Good Index Series is designed to identify companies that demonstrate strong environmental, social and governance practices measured against globally recognised standards.

Independent Limited Assurance Statement to Zydus Lifescience Limited on ESG Report FY2024-25

To the Management of Zydus Lifescience Limited, India

Introduction

Intertek India Private Limited ("Intertek") was engaged by Zydus Lifescience Limited ("ZLL") to provide an independent limited assurance on selected ESG disclosure reported in ESG Report FY2024-25 ("the Report"). The scope of the Report comprises the reporting period of FY2024-25.

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 to confirm whether any evidence existed that the selected ESG disclosures in alignment with reporting guidelines, as declared in the Report, were not materially correct with the criteria outlined below.

Intended Users

This Assurance Statement is intended to be a part of the ESG Report FY 2024-25 of ZLL.

Responsibilities

The management of ZLL'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 ZLL in the Report. The assurance boundary included data and information for the manufacturing units and Corporate Office of ZLL in India. Our scope of assurance included verification of data and information on selected sustainability performance disclosures reported as summarized as below:

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

Assurance Criteria

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

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

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

Methodology

Intertek performed assurance work using risk-based approach to obtain information, explanations and evidence that was considered necessary to provide a limited level of assurance. The assurance was conducted by desk reviews, and stakeholder interviews with regards to the reporting and supporting records for FY 2024-2025. Our assurance task was planned and carried out during Oct-Nov'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 ZLL 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 ZLL in its ESG Report FY2024-25. Based on the data and information provided by ZLL 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

2025/11/14

Beth Mielbrecht

Elizabeth Mielbrecht, Reviewer
Project Director
Intertek Assuris

2025/11/14

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

Independent Limited Assurance Statement to Zydus Lifesciences Limited on Scope 3 GHG Statement

To The Management of Zydus Lifesciences Limited, India

Introduction

Intertek India Private Limited ("Intertek") was engaged by Zydus Lifesciences Limited ("ZLL") to provide independent limited assurance for facilities under their operational control for selected categories of 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 scope 3 GHG statement of ZLL 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 Report FY 2024-2025 of ZLL.

Responsibilities

ZLL is solely responsible for developing the scope 3 GHG statement and its presentation. ZLL 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 ZLL, 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 was provided for selected categories of Scope 3 GHG emissions presented by ZLL in its GHG statement. The assurance boundary covered data and information related to ZLL's operations, comprising 75 operational sites, including 32 manufacturing plants and 43 offices in reference to the Greenhouse Gas Protocol Guidance. Our scope of assurance included verification of data and information only on selected emission categories reported below:

- Category 1: Purchased Goods and Services
- Category 2: Capital Goods
- Category 4: Upstream transportation and distribution
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commuting
- Category 15: Investment

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'.
- 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 categories reported by ZLL. We have relied on the information, documents, records, data, and explanations provided to us by ZLL 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 from during Oct-Nov'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 ZLL 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 ZLL, nothing has come to our attention that causes us to believe that the data and information presented in GHG emission statement is not materially correct and is not fairly represented with reference to Greenhouse Gas Protocols Guidance.



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

Scope 3 Category wise:		
Category 1: Purchased Goods and Services	4,32,908	tCO ₂ e
Category 2: Capital Goods	4,866	tCO ₂ e
Category 4: Upstream transportation and distribution	7,86,609	tCO ₂ e
Category 5: Waste generated in operations	67	tCO ₂ e
Category 6: Business Travel	32,515	tCO ₂ e
Category 7: Employee commuting	636	tCO ₂ e
Category 15: Investment	11,781	tCO ₂ e
Total	12,69,383	tCO₂e

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

2025 November 24

Beth Mielbrecht

Elizabeth Mielbrecht, Reviewer
Project Director

2025 November 24

No member of the verification team (stated above) has a business relationship with Zydus Lifesciences Limited "ZLL" 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.

Alignment with Global ESG Frameworks

Governance Dimension											
SL. No.	Section	Subsection	Page No.	TCFD	BRSR	SDG	CSA	CDP	SASB	UNGC	GRI
1	Introduction	About the Report	4			12.6	1.1.1, 1.1.2	1.3, 1.5, 1.7, 1.10, 1.22			GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-5
2		Sustainability at Zydus Lifesciences	5			12.6		1.3, 1.5, 1.7, 1.10, 1.22			
3		Approach to Sustainability	6			12.6		1.3, 1.5, 1.7, 1.10, 1.22			
4		Sustainability Integrated Business Strategy	6		Section A	12.6		1.3			
5		ESG Highlights	8			13.2, 5.5, 16.7, 6.3, 7.2, 12.4, 12.6					
6	Corporate Governance	Board Composition	10		Section A (21), Principle 1(L.2)	5.1, 5.5, 16.6, 16.7	1.2.1, 1.2.2, 1.2.3, 1.2.5, 1.2.6, 1.2.7, 1.2.8, 1.2.15	1.3, 4.1.1, 4.1.2			GRI 2-1, GRI 2-9, GRI 2-11, GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-16, GRI 2-18, GRI 2-19, GRI 2-20, GRI 2-21, GRI 2-23, GRI 2-24
7		Board Diversity Policy	10			5.5	1.2.4	1.3, 4.1.1, 4.1.2			GRI 2-23, GRI 2-24
8		Management Ownership	10			16.6, 16.7	1.2.11	1.3, 4.1.1, 4.1.2			
9		Management Ownership Requirements	10			16.6, 16.7	1.2.12	1.3, 4.1.1, 4.1.2			
10		Government Ownership	11			16.6, 16.7	1.2.13	1.3, 4.1.1, 4.1.2			
11		Family Ownership	11			16.6, 16.7	1.2.14	1.3, 4.1.1, 4.1.2			
12		ESG Governance Structure	11	Governance-1(a), 1(b)	Section B(8), (9), Principle 1(E.1)	17.14, 17.16, 17.19	1.2.16	4.1, 4.2, 4.3, 4.4		Environment (P.8)	GRI 2-13

Governance Dimension											
SL. No.	Section	Subsection	Page No.	TCFD	BRSR	SDG	CSA	CDP	SASB	UNGC	GRI
13	Materiality	Materiality Analysis	13		Principle 4(L.1)	6.3, 6.4, 6.5, 6.6, 7.2, 7.3, 8.2, 8.3, 8.5, 8.7, 8.8, 12.5, 12.6, 12.7, 13.2, 16.5	1.3.1	2.2, 1.24			GRI 3-1, GRI 3-2, GRI 2-29
14		Material Issues and Metrics for Internal Value Creation	14		Principle 4(L.2)	9.4, 9.5, 12.5, 12.6, 12.7, 13.2	1.3.2, 1.3.3	2.2.1, 1.24			
15		Material Issues and Metrics for External Stakeholders	16		Principle 4(L.2)	9.4, 9.5, 13.2	1.3.4, 1.3.5	2.2.1, 1.24			
16		Materiality Issues: Description and Impact	17		Section A. VII. 26	6.3, 6.4, 6.5, 6.6, 7.2, 7.3, 8.2, 8.3, 8.5, 8.7, 8.8, 12.5, 12.6, 12.7, 13.2, 16.5		2.1, 1.24			
17	Risk Management	Risk Governance	23			9.5, 16.10	1.4.1	1.3, 2.1			GRI 2-23, GRI 2-24
18		Approach to Risk Management	23			9.5, 16.10	1.4.2	1.3, 2.1			
19		Emerging Risks	26			9.5, 16.10	1.4.3				
20	Business Ethics	UN Global Compact Membership	30			6.3, 6.4, 6.5, 6.6, 7.2, 7.3, 8.7, 8.8, 13.2, 16.1, 16.2, 16.5	1.5.1		HC-BP-510a.1, HC-BP-510a.2		
21		Codes of Conduct	31		Section B(1.a), Principle 1 (E.4)	16.3, 17.13, 17.14	1.5.2		HC-BP-510a.1, HC-BP-510a.2		GRI 2-23, GRI 2-24, GRI 205-1, GRI 205-2
22		Position on Bribery & Corruption	32		Principle 1 (E.4), (E.5), (E.7), (L.2)	16.5	1.5.3		HC-BP-510a.1, HC-BP-510a.2	Anti-Corruption (P.10)	GRI 205-1, GRI 205-2, GRI 205-3, GRI 206-1, GRI 415-1
23		Whistleblowing Mechanism	32		Section B(1.a)	17.13, 17.14	1.5.4		HC-BP-510a.1, HC-BP-510a.2		GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26
24		Reporting on Breaches	34		Principle 1 (E.4), Principle 5(E.6), Principle 9(E.3), (E.7)	5.1, 16.5, 16.10	1.5.5		HC-BP-510a.1, HC-BP-510a.2		GRI 2-25, GRI 2-26, GRI 2-27, GRI 206-1

Governance Dimension											
SL. No.	Section	Subsection	Page No.	TCFD	BRSR	SDG	CSA	CDP	SASB	UNGC	GRI
25	Policy Influence	Contributions and other Spending	35		Principle 7(E.1), (L.1)	17.16, 17.17, 17.19	1.6.1				
26		Largest contributions/Spending	35		Principle 7(E.1), (L.1)	17.16, 17.17, 17.19	1.6.2				
27		Lobbying and Trade Associations - Climate Alignment	36		Principle 7(L.1)	7.2, 7.3, 13.2, 17.16, 17.17, 17.19	1.6.3	4.11.2			
28	Supply Chain Management	Supplier Code of Conduct	37		Principle 1(L.1), Principle 3(L.2)	17.13, 17.14	1.7.1	5.11.1, 5.11.2, 5.11.5, 5.11.6, 5.11.7, 7.68, 1.24	HC-BP-430a.1		GRI 2-23, GRI 2-24, GRI 2-6
29		Supplier ESG Programmes	37		Principle 1(L.1), Principle 2(E.2a, 2b), Principle 6(L.7), Principle 8(E.4)	17.16, 17.17	1.7.2	5.11.1, 5.11.2, 5.11.5, 5.11.6, 5.11.7, 7.68, 1.24	HC-BP-430a.1		GRI 308-1, GRI 308-2, GRI 2-6, GRI 408-1, GRI 407-1
30		Supplier Screening	39		Principle 5(L.4)	17.16, 17.17	1.7.3, 1.7.5	5.11.1, 5.11.2, 5.11.5, 5.11.6, 5.11.7, 7.68, 1.24	HC-BP-430a.1		GRI 414-1, GRI 414-2, GRI 308-1, GRI 308-2, GRI 2-6
31		Supplier Assessment and Development	39		Principle 5(L.4)	17.16, 17.17	1.7.4, 1.7.6	5.11.1, 5.11.2, 5.11.5, 5.11.6, 5.11.7, 7.68, 1.24	HC-BP-430a.1		GRI 204-1, GRI 2-6
32	Tax Strategy	Tax Strategy and Governance	42			16.6	1.8.1				GRI 207-1, GRI 207-2, GRI 207-3, GRI 2-23, GRI 2-24
33		Tax Reporting	42			16.6	1.8.2				
34		Effective Tax Rate	45			16.6	1.8.3				
35	Information and Technology	Information Security Governance	46		Principle 9(E.3), (E.5), (E.7)	16.10, 9.C	1.9.1				GRI 2-23, GRI 2-24
36		Information Security Policy	46			16.10, 9.C	1.9.2				GRI 2-23, GRI 2-24
37		Information Security Management Programmes	47			16.10, 9.C	1.9.3				
38	Innovation Management	Product Innovations	48			8.2, 9.5, 9.B	1.10.1		HC-BP-000.B		
39		Healthcare Clinical Pipeline	48			16.6	1.10.2		HC-BP-000.B		

Governance Dimension											
SL. No.	Section	Subsection	Page No.	TCFD	BRSR	SDG	CSA	CDP	SASB	UNGC	GRI
40	Product Quality and Recall Management	Product Quality Programmes	49			3.8, 3.C, 9.1	1.11.1		HC-BP-250a.1, HC-BP-260a.1, HC-BP-260a.2		
41		Product Recalls	50		Principle 9(E.4)	3.9, 3.B	1.11.2		HC-BP-250a.3		GRI 416-1, GRI 416-2
42		Compliance to Regulatory Standards	50			16.6	1.11.3		HC-BP-210a.2, HC-BP-210a.2, HC-BP-210a.3, HC-BP-250a.5		

Environment Dimension											
SL. No.	Section	Subsection	Page No.	TCFD	BRSR	SDG	CSA	CDP	SASB	UNGC	GRI
1	Environmental Policy & Management	Environmental Policy	53			13.2, 17.13, 17.14	2.1.1	4.6			GRI 2-23, GRI 2-24
2		Environmental Management Systems Verification	53			16.6	2.1.2				
3		Environmental Violations	53			16.6	2.1.3				
4	Energy Management	Energy Management Programmes	54		Principle 2(E.1), Principle 6(E.8), (L.4)	7.2, 7.3, 7.A, 13.3	2.2.1	7.29, 7.30		Environment (P.9)	GRI 302-1, GRI 302-4, GRI 302-5, GRI 305-5, GRI 2-23, GRI 2-24
5		Energy Consumption	58		Principle 6(E.1)	13.2	2.2.2	7.30.1, 13.1			GRI 302-3
6	Waste & Pollutants	Waste Management Programmes	60		Principle 2(E.3), (E.4), (L.3), (L.4), (L.5), Principle 6(E.10)	12.2, 12.4, 12.5, 12.7, 12.A	2.3.1	10.5.1		Environment (P.9)	GRI 306-1, GRI 306-2
7		Waste Disposal	60		Principle 6(E.9)	12.4, 12.5	2.3.2	7.52, 13.1			GRI 306-3, GRI 306-4, GRI 306-5
8		Hazardous Waste	60		Principle 6(E.9)	12.4, 12.5	2.3.3	7.52, 13.1			
9	Water Management	Water Efficiency Management Programmes	62		Principle 6(E.5)	6.4, 6.5, 6.6	2.4.1	9.2		Environment (P.9)	GRI 303-1, GRI 303-2
10		Water Consumption	63		Principle 6(L.1), (E.3), (E.4)	6.4, 6.5, 6.6	2.4.2	9.2.2, 9.2.4, 9.15, 13.1			GRI 303-3, GRI 303-4, GRI 303-5
11		Water Risk Assessment	65			6.4, 6.5, 6.6		2.2.1, 3.1, 3.6, 9.3		Environment (P.7)	

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12	Climate Strategy and Governance	GHG Emissions (Scope 1, Scope 2 & Scope 3)	68	Metrics and Targets-4(b)	Principle 6(E.7), (L.2)	12.4, 12.5, 13.1, 13.2, 13.3, 7.2, 7.A	2.5.1, 2.5.2, 2.5.3	7.3, 7.5, 7.6, 7.7, 7.8, 7.9, 7.10, 7.12, 7.30.17, 7.45			GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5
13		Climate Governance	69		Section B.9	17.14, 17.16, 17.19	2.5.4	4.1.1, 4.1.2, 4.2, 4.3.1		Environment (P.8)	
14		Climate related management incentives	69			13.2	2.5.6	4.5.1		Environment (P.8)	
15		Climate Risk Management	71	Risk Management-3(a), 3(b), 3(c)	Principle 6(L.5)	13.1, 13.3, 16.6, 16.7, 9.4, 7.1	2.5.7	2.2.1, 2.2.2, 2.2.7		Environment (P.7)	
16		Climate Risk Assessment	72	Strategy-2(a), 2(c)		13.1, 13.3, 16.6, 16.7, 9.4, 7.1	2.5.10	5.1.1, 5.1.2		Environment (P.7)	
17		Physical Climate Risk Assessment and Adaptation	72	Strategy-2(b)	Principle 6(L.5)	13.1, 13.3, 16.6, 16.7, 9.4, 7.A	2.5.11	5.2, 3.1, 3.6		Environment (P.7)	
18		Financial Risks and Opportunities of Climate Change	76	Strategy-2(b)		13.1, 13.3, 16.6, 16.7, 9.4, 9.A	2.5.8, 2.5.9	5.3, 5.4.1, 5.4.2, 5.2			GRI 201-2
19		Environment targets	77	Metrics and Targets-4(a), 4(c)	Section B.5	6.3, 6.4, 6.5, 6.6, 7.2, 7.3, 12.5, 12.6, 12.7, 13.2, 16.5	2.5.12	6.1, 7.53, 7.54, 7.55, 9.15.2			
20		Emission Reduction Targets	78			7.2, 7.3, 13.1, 13.2, 13.3	2.5.13	6.1, 7.53.1, 7.53.2, 7.53.4, 7.54, 7.55			
21		TCFD Disclosure	79			12.6	2.5.5				
22		Internal Carbon Pricing	80			12.4, 12.5, 13.1, 13.2, 13.3, 7.2, 7.A, 9.4, 9.A, 16.6, 16.7	2.5.13	5.10.1			
23		Net- Zero Commitment	81			12.4, 12.5, 13.1, 13.2, 13.3, 7.2, 7.A, 9.4, 9.A, 16.6, 16.7	2.5.14	4.10, 7.54.3		Environment (P.8)	
24	Biodiversity	Biodiversity Risk Assessment	82		Principle 6(E.11), (E.12), (L.3)	15.1, 15.8	2.6.1	2.2.1, 3.1.1, 11.3, 11.4, 11.9		Environment (P.7)	GRI 304-1, GRI 304-2, GRI 304-3, GRI 304-4
25		Biodiversity Commitment	87		Principle 6(E.11), (E.12), (L.3)	12.8, 15.1, 15.2, 15.5, 15.6, 15.9	2.6.2	11.2, 11.7, 11.10, 11.11, 11.12		Environment (P.8)	
26		No- Deforestation Commitment	88		Principle 6(E.11), (E.12), (L.3)	12.8, 15.1, 15.2, 15.5, 15.6, 15.9	2.6.3	11.2, 8.7.2		Environment (P.8)	

Environment Dimension											
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28		Life Cycle Assessment	90		Principle 2(L.1), (L.2)	12.2, 12.4, 12.5, 14.1, 14.2, 14.3	2.7.2	7.7.1		Environment (P.9)	
29		Exposure to Hazardous Substances	92		Principle 6(E.10)	3.9	2.7.3				

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2		Labor Practices Programmes	95		Principle 3(L.4)	3.8, 8.7, 8.8, 10.3, 10.4	3.1.2			Labour (P.3), P.4), (P.5), (P.6)	
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5		Gender Pay Indicators	99		Principle 3(E.4)	5.1, 5.5, 8.5, 10.3, 10.4	3.1.6				GRI 405-2
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7	Human Rights	Human Rights Commitment	101		Principle 5(E.7)	16.1, 16.2	3.2.1			Human Rights(P.1), (P.2); Labour (P.3), P.4), (P.5), (P.6)	GRI 409-1, GRI 408-1, GRI 407-1, GRI 406-1, GRI 2-30, GRI 2-23, GRI 2-24, GRI 410-1
8		Human Rights Due Diligence Process	101		Principle 5(L.2)	16.2, 5.1, 5.2, 5.5, 8.5, 8.8, 8.7, 10.3, 10.4	3.2.2				
9		Human Rights Assessment	102		Principle 5 (E.1), (E.10), (E.2), (L.1)	16.2, 5.1, 5.2, 5.5, 8.5, 8.8, 8.7, 10.3, 10.4	3.2.3				
10		Human Rights Mitigation and Remediation	102		Principle 3(E.6), (E.8), Principle 5(E.5), (E.8)	16.2, 5.1, 5.2, 5.5, 8.5, 8.8, 8.7, 10.3, 10.4	3.2.4				

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12		Employee Development Program	103		Principle 3(E.8), (E.9)	4.3, 4.4, 4.7, 8.5, 8.6	3.3.2		HC-BP-330a.1, HC-BP-330a.2		GRI 404-2, GRI 404-3
13		Human Capital Return on Investment	109			4.3, 4.4, 5.1, 5.5, 8.5, 8.7, 8.8, 10.3, 10.4	3.3.3				
14		Hiring	109			4.4, 8.3	3.3.4		HC-BP-330a.1, HC-BP-330a.2		GRI 401-1
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17		Employee Support Programmes	111		Principle 3(E.1), (E.5)	3.8, 3.9	3.3.7				GRI 401-2, GRI 401-3
18		Performance Appraisal	114		Principle 3(E.9)	9.4, 8.2, 8.3	3.3.8				GRI 404-3
19		Trend of Employee Wellbeing	116		Principle 3(E.1.c)	8.5, 8.6	3.3.9				
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21		OHS Programme	117		Principle 3(E.10), (E.11), (E.12), (E.13), (E.14), (E.15)	3.9, 16.1	3.4.2				
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Social Dimension											
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24		Local Capacity Building	125			3.4, 3.8	3.5.2		HC-BP- 240a.1, HC-BP- 240a.2		GRI 203-2
25		Impact on Access to Healthcare	127			3.7, 3.8, 3.8	3.5.3		HC-BP- 240a.1, HC-BP- 240a.2		GRI 203-2
26		Fair Pricing	127			3.3, 3.7, 3.8	3.5.5		HC-BP- 240b.2, HC-BP- 240b.3		
27		Contribution to Increasing Health- care Efficiency	127			3.3, 3.7, 3.8, 3.8	3.5.6		HC-BP- 000.A		GRI 203-2
28		Measuring Contri- bution to Health Outcome	129			3.3, 3.7, 3.8, 3.8	3.5.7				GRI 203-2
29		Accessibility and Transparency of Research	132			9.5, 9.8, 3.7, 3.8, 3.8	3.5.8				
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31		Ethical Marketing Performance	135		Principle 9(L.4)	16.6, 10.5, 9.C	3.6.2		HC-BP- 270a.1, HC-BP- 270a.2, HC-BP- 260a.1, HC-BP- 260a.2, HC-BP- 260a.3		
32	Privacy Protection	Privacy Policy: Systems/Proce- dures	136		Principle 9(E.5)	9.5, 9.C, 16.10	3.7.1				GRI 418-1
33		Customer Privacy Information	136		Principle 9(E.3), (E.6)	9.5, 9.C, 16.10	3.7.2				
34		Corporate Social Responsibility	139		Principle 4(L.3), Principle 8(E.1), (L.1), (L.2), (L.6), Section B(11)	3.8, 1.4, 9.1, 5.5, 4.1, 4.3, 13.3					GRI 413-1, GRI 413-2, GRI 2-23, GRI 2-24

Glossary of Abbreviations

Abbreviations	Full Form
APIs	Active Pharmaceutical Ingredients
FMCG	Fast-moving Consumer Goods
VTC	Vaccine Technology Centre
ZRC	Zydus Research Centre
ZCP	Zydus Corporate Park
BRSR	Business Responsibility and Sustainability Report
CSR	Corporate Social Responsibility
ESG	Environment, Social and Governance
ISO14001	Environmental Management Systems (EMS)
ISO45001	Occupational Health and Safety Management Systems
ISO27001	Information Security Management Systems
ISO50001	Energy Management Systems
ISO13485	Quality Management Systems
ISO 14040	Environmental management – Life cycle assessment – Principles and framework
ISO 14044	Environmental management – Life cycle assessment – Requirements and guidelines
GHG	Greenhouse Gas
CSA	Corporate Sustainability Assessment
SEBI	Securities and Exchange Board of India
NRC	Nominations and Remuneration Committee
ERM	Enterprise Risk Management
RMC	Risk Management Committee
CRO	Chief Risk Officer
BU	Business Unit
BOD	Board of Director
IT	Information Technology
UNGC	United Nations Global Compact
CFO	Chief Financial Officer
FICCI	Federation of Indian Chambers of Commerce and Industry
GSA	Global Sustainability Alliance
GEDA	Gujarat Energy Development Agency
RE	Renewable Energy
WOS	Wholly Owned Subsidiaries
ZWL	Zydus Wellness Limited
ZHL	Zydus Healthcare Limited

Abbreviations	Full Form
LMML	LM Manufacturing India Private Limited
ZWWD	Zydus Worldwide DMCC
ZNBV	Zydus Netherlands B.V.
ZAHL	Zydus Animal Healthcare Limited
ZYSA	Zydus South Africa
ZIPL	Zydus International Private Limited
ZPUK	Zydus Pharmaceuticals UK Limited
ZLD	Zero Liquid Discharge
GLP	Good Laboratory Practices
R&D	Research and Development
PIAs	Privacy Impact Assessments
USFDA	United States Food and Drug Administration
PSCI	Pharmaceutical Supply Chain Initiative
GRI	Global Reporting Initiative
CDP	Carbon Disclosure Project
SASB	Sustainability Accounting Standards Board
TCFD	Taskforce on Climate-related Financial Disclosure
BRSR	Business Responsibility and Sustainability Report
GMP	Good Manufacturing Practices
P2P	Procure-to-Pay
MSME	Medium, small and micro enterprise
ISMS	Information Security Management System
ISSC	Information Security Steering Committee
SOP	Standard Operating Procedure
QRM	Quality Risk Management
ICH Q9	International Council for Harmonisation Guideline Q9 on Quality Risk Management
FEMA	Failure Mode and Effects Analysis
HAZOP	Hazard and Operability Study
HACCP	Hazard Analysis and Critical Control Points
cGMP	Current Good Manufacturing Practices
QA/QC	Quality Assurance/Quality Control
LIMS	Laboratory Information Management System
QUEST	Quality Excellence by Sustainable Transformation
ALCOA+	Attributable, Legible, Contemporaneous, Original and Accurate plus
PV	Pharmacovigilance

Abbreviations	Full Form
NCEs	New Chemical Entities
CISO	Chief Information Security Officer
CCSEA	Committee for Control and Supervision of Experiments on Animals
AAALAC	Association for Assessment and Accreditation of Laboratory Animal Care
USD	US Dollars
INR	Indian National Rupees
EHS	Environment, Health & Safety
EMS	Environmental Management Systems
KPI	Key Performance Indicator
BEE	Bureau of Energy Efficiency
MWh	Mega Watt Hour
GJ	Gigajoule
LDO	Light Diesel Oil
HSD	High-Speed Diesel
AHU	Air Handling Unit
ETP	Effluent Treatment Plant
UPS	Uninterrupted Power System
VFD	Variable Frequency Drive
EC Fan	Energy Conservation Fan
ASRS	Automated Storage and Retrieval System
FBC	Fluidised Bed Combustion
FBP	Fluidised Bed Processor
HOC	Heat of Compression
FBE	Fluid Bed Equipment
ADL	Analytical Development Laboratory
RFU	Ready for Use
iKW/TR	Input Kilowatts per Ton of Refrigeration
KL	Kilo Litres
kWp	Kilo Watt Power
CII	Confederation of Indian Industry
PCS	Processed Controlled System
tCO ₂ e	tonnes Carbon dioxide Equivalent
GWh	Gigawatt-Hour
EPR	Extended Producer Responsibility
AFR	Alternative Fuel Resources
MT	Metric Tonnes
CGWA	Central Ground Water Authority
WWF	World Wildlife Fund
ZLD	Zero Liquid Discharge
MEE	Multi-Effect Evaporators
ATFD	Agitated Thin Film Dryers
MVR	Mechanical Vapour Recompressors

Abbreviations	Full Form
UF	Ultrafiltration
RO	Reverse Osmosis
TDS	Total Dissolved Solids
NDW	Nala Deepening and Widening structures
CPCB	Central Pollution Control Board
SPCB	State Pollution Control Board
RCP	Representative Concentration Pathways
SSP	Shared Socioeconomic Pathways
AWARE	Available Water Remaining
TNFD	Taskforce on Nature-related Financial Disclosure
BRF	Biodiversity Risk Filter
IUCN	International Union for Conservation of Nature
KMGBF	Kunming-Montreal Global Biodiversity Framework
NPI	Net positive impact
UNCBD	United Nations Convention on Biological Diversity
ESP	Electrostatic Precipitator
FO	Furnace Oil
COP	Coefficient of Performance
LDPE	Low-Density Polyethylene
SKU	Stock Keeping Unit
PET	Polyethylene Terephthalate
OEM	Original Equipment Manufacturer
LCA	Life Cycle Assessment
DR	Delayed-Release
PM	Particulate Matter
CFC	Chlorofluorocarbon
ICCA	International Council of Chemical Associations
CCS	Control Containment Strategy
PDE	Permitted Daily Exposure
SVHC	Substances of Very High Concern
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
MD	Managing Director
CHRO	Chief human resources officer
GDSO	Global Demand and Supply Organisation
STARS	Special Thanks And Recognition System
HRMIS	Human Resource Management Information System
MR	Management Representative
KRA	Key Responsibility Area
SLIM	Strategic Lean Integrated Manufacturing

Abbreviations	Full Form
Encon	Energy Conservation
NGFS	Network for Greening the Financial System
INDC	Intended Nationally Determined Contribution
ICP	Internal Carbon Pricing
REC	Renewable Energy Certificates
POSH	Prevention of Sexual Harassment
STEM	Science, Technology, Engineering, and Mathematics
FTE	Full-Time Equivalent
OHS	Occupational Health and Safety
LEAP	Learn Explore Aspire Perform
LXP	Learning Experience Platform
LMS	Learning Management System
STEP	Strive Towards Excellence Program
GM	General Manager
DGM	Deputy General Manager
VILT	Virtual instructor-led trainings
HC ROI	Human Capital Return on Investment
OKRs	Objectives and Key Results
OPQ	Occupational Personality Questionnaire
MBO	Management by Objectives
SMART	Specific, Measurable, Achievable, Relevant, and Time-bound
ICs	Individual Contributors
PMS	Performance Management System
PRIDE	Performance Review and Individual Development Evolution
ESP	Employee Support Programmes
GPTW	Great Place to Work
HIRA	Hazard Identification Risk Assessment
IH	Industrial Hygiene
CAPA	Corrective Action Preventive Action
OHC	Occupational Health Centre
LTIFR	Lost Time Injury Frequency Rate
PSSR	Pre-Start-up Safety Review
HAZOP	Hazard Operating Procedures
ILO	International Labor Organisation
BBS	Behaviour-Based Safety
DCGI	Drug Controller General of India
mAb	monoclonal antibody

Abbreviations	Full Form
NOC	Notice of Compliance
ESA	Erythropoiesis-stimulating agents
NTD	Neglected Tropical Diseases
ZMCH	Zydus Medical College and Hospital
IMR	Infant Mortality Rate
MMR	Maternal Mortality Rate
NDA	National Drug Authority
PTC	Pharmaceutical Technology Centre
WHO	World Health Organisation
AE	Adverse Events
COPD	Chronic Obstructive Pulmonary Disease
AEFI	Adverse Events following Immunisation
ADR	Adverse Drug Reactions
MASH	Metabolic Associated Fatty Liver Disease
MSLD	Metabolic dysfunction-associated steatotic liver disease
ATMI	Access to Medicine Index
CME	Continuing Medical Education
NCDs	Non-Communicable Diseases
JAAOS	Journal of the American Academy of Orthopaedic Surgeons
AOS	American Ornithological Society
DPO	Data Protection Officer
SAR	Subject Access Request
DCA	Drug and Cosmetics Act
DCR	Drugs and Cosmetics Rules
HCPs	Healthcare Professionals
CKD	Chronic Kidney Disease
UN SDG	United Nations Sustainable Development Goals
SIA	Social Impact Assessment
FTSE	Financial Time Stock Exchange
ESGRisk.ai	ESG Risk Assessment and Insights
GSM	Gram per square metre
USEPA	United States Environmental Protection Agency
EEIO factors	Environmentally Extended Input-Output factors
CEDA	Comprehensive Environmental Data Archive
ICAO	International Civil Aviation Organisation
DEFRA UK	Department for Environment, Food and Rural Affairs (United Kingdom)
ESCO	Energy Services Company



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