





Mission

To unlock new possibilities
in life-sciences through quality
healthcare solutions
that impact lives

Vision

Be a global Life-sciences
company transforming lives
through pathbreaking discoveries

Purpose

Empower People
with the freedom to live
healthier and more fulfilled lives



After a journey of growth spanning 27 years, we have evolved and transformed ourselves in response to the changing times.

The pandemic brought Zydus closer to our purpose than ever before. Our mission, vision and purpose aim at increasing the access to healthcare by focussing on science and innovation. Our journey as a responsible organisation through the years has been marked by a conscious effort to contribute to the welfare of the communities, people and the world around us. Through our initiatives under ESG we reaffirm this commitment and remain dedicated to life in all its dimensions.

Mr. Pankaj Patel

Chairman
Zydus Lifesciences Ltd.



At Zydus, our core purpose is to empower people with the freedom to live healthier and more fulfilled lives.

Continuous improvement and sustainable approaches to ESG goals are an integral part of it. Whether it is through safe manufacturing practises, protecting the ecosystem, making people an active part of our growth, celebrating diversity at the workplace, bringing in access and affordability through innovation, focusing on patient centricity, bridging unmet healthcare needs, standing true to our values and core behaviours of respect, trust and integrity which also reflects in our governance and the way we work. We will continue to build and nurture the communities we form a part of.

Dr. Sharvil Patel

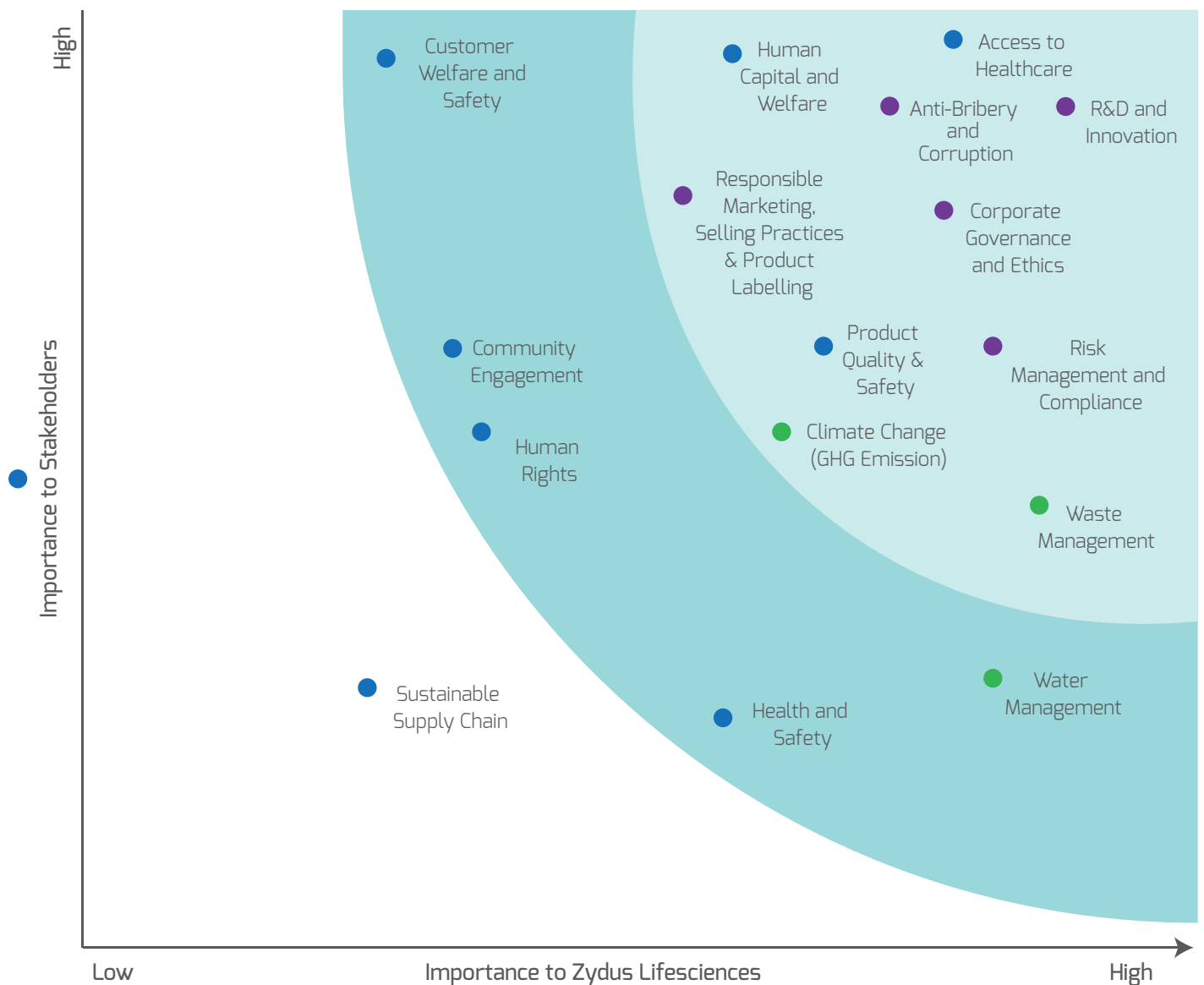
Managing Director
Zydus Lifesciences Ltd.



ESG MATERIALITY MATRIX 2021-22

ESG Materiality Approach

- ▶ ESG Standards
- ▶ Peer Benchmarking
- ▶ Business Value Chain Analysis
- ▶ Stakeholder discussions







ESG FACT SHEETS 2021-22

Environment



Overview

The world continues to face the challenges like global pandemic, Russian –Ukraine war and its impacts on climate change is crucial, there is greater urgency and action needed in this area.

We at Zydus Lifesciences Ltd. (Formerly Known as Cadila Healthcare Ltd.) believe that protecting people and the planet is our core value & mission to create healthy communities globally.

Combatting climate change requires action, innovation and a multi-faceted, collaborative approach. We remain committed towards resource conservation in the area of

Energy | Fuel | Water | Waste including Co-processing activity for energy recovery.



to Environment and
Environment Protection
is an ongoing journey.




Environmental violations
of legal regulations

With help of internal & external experts, we adopt continuous improvement in waste management by implementing “**wealth from waste**” strategy. We also recognize the unique and evolving characteristics of climate risk, which include longer time horizons, changing magnitudes and nonlinear dynamics requirement, may be differential assessment and management strategies for each of businesses and verticals.

Water Management:

We efficiently manage the Fresh water consumption at manufacturing plants through continuously monitoring, reviewing and optimising process modifications and adoption of new technologies.

In FY 2021-22
water dependency on
ground water usage
reduced to  34%

Compare to
55.75%
for FY 2020-2021



Environmental Indicator	Description	Zydus Lifesciences
Total Water withdrawn (KL)	Total water withdrawn	14,57,476
	Municipal (Third Party)	6,12,838
	Ground water	5,06,320
	Surface water	3,38,318
	Units in water stressed areas	2
	Water from water stressed areas	1,62,368
	Total water consumed (KL)	7,78,157

Water Source (KL)



■ Ground Water ■ Surface Water ■ Third Party

Total Water (KL) Withdrawn

FY2021-2022

14,57,476 

FY2020-2021 15,38,586

FY2019-2020 13,46,971

FY2019-2020

8,04,359

7,224

5,35,388

FY2020-2021

8,57,155

1,09,731

5,71,700

FY2021-2022

5,06,320

3,38,318

6,12,838

Effluent Management (KL)

We reuse **46%**
of total water consumption



The treated waste water (effluent)
discharge to third party is

3,40,234 KL



■ Treated Effluent Reuse

■ Treated effluent discharge to third party

FY2019-2020

7,04,361

3,17,960

FY2020-2021

7,85,138

3,34,720

FY2021-2022

6,79,319

3,40,234

Environmental Indicator	Description	Zydus Lifesciences
Total Effluent Discharged (KL)	Total Effluent Discharged	10,19,553
	Effluent sent to third party	3,40,234
	Effluent to municipal sewer	NIL
	Effluent to surface water	NIL
	Effluent to other with tertiary treatment (Reuse in gardening, cooling tower and others)	6,79,319
Units with Zero Liquid Discharge (Absolute Zero Discharge)		1
Total Water Consumed (KL)		7,78,157

Hazardous Waste Management:

We have been working on

4 R principles



Reduce



Reuse



Recycle



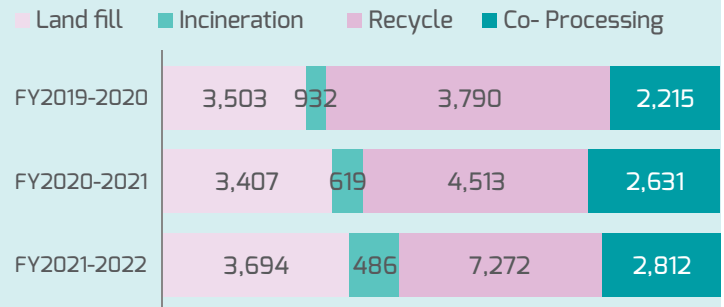
Recover

to minimize waste and increase resource efficiency.

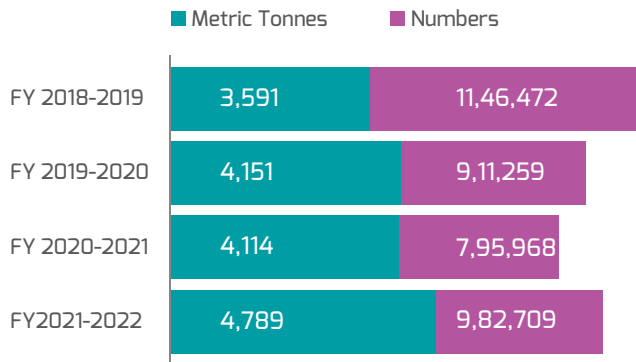
In FY22 Recycle of waste is **51%**,

Co-Processing at cement kiln is **20%**, Incineration is **3%** and, Landfill is **26%**

The increase in waste generation is due to the new projects and current expansion of the units.



Non-Hazardous Waste Management:



100% of

non-hazardous waste

is disposed to authorised vendor



Environmental Indicator	Description	Zydus Lifesciences
Total Waste (Thousand tonnes)		14,685
Hazardous Waste (MT)	Disposal in Landfills	3,694
	Incinerated	486
	Recycle	7,272
	Co Processing	2,812
E Waste (MT)	Generated	28
	Recycle	26
Battery Waste (MT)	Generated	26
	Recycle	26
Bio Medical Waste (MT)	Generated	285
	Incinerated	283
	Recycle	2
Non-Hazardous waste (MT)	Total waste (tonnes) generated and recycled /reuse	4,789

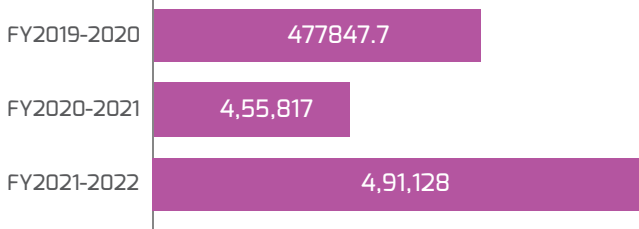
Energy and GHG Emissions Management:

We have started the mapping and working on new technologies for energy and GHG emission management. The increase in the energy consumption and GHG emission is due to the new projects and current expansion of the units.

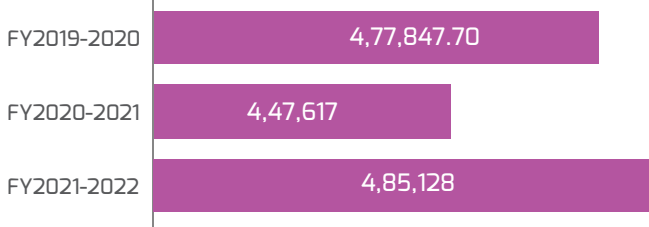
We have entered into an Agreement for setting up captive Wind Solar Hybrid power project in Gujarat to increase their renewable energy mix.



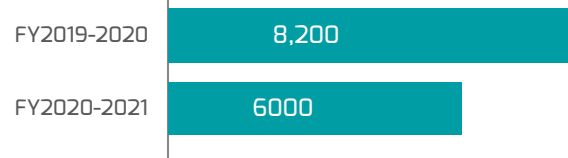
Total Energy Consumption (MWh)



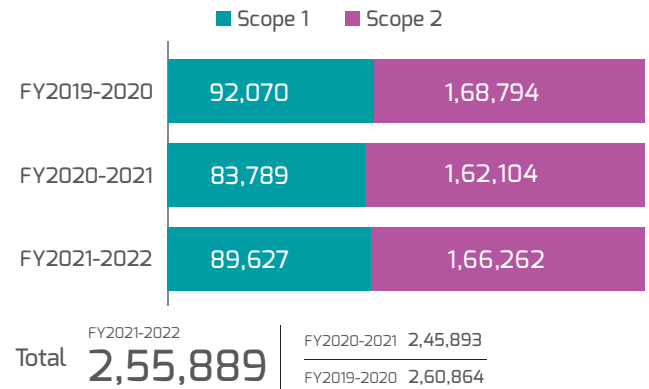
Total Non-Renewable Energy Consumption (MWh)



Total Renewable Energy Consumption (MWh)



GHG Emission (t CO2e)



Environmental Indicator	Description	Zydus Lifesciences
Total Energy for operations (MWh)	Total Energy	4,91,128
	Purchased Renewable Electricity	6000
	Purchased Non - Renewable Energy (A+B)	4,85,128
	Total fuel consumption (A)	2,75,492
	Natural Gas purchased	11,698
	Coal	1,66,937
	Briquette	85,153
	Other Fossil Fuel (diesel, FO)	11,704
	Renewable heat	NIL
	Steam	NIL
	Purchased Non - Renewable Electricity (B)	2,09,634

GHG Emissions and Carbon Targets

Total GHG emissions		2,55,889 Tonnes
Scope 1: Emission by Source	On-site fuel use (tonnes CO2 e)	89,627 Tonnes
Scope 2: Emission by Source	Electricity (market-based emissions) (thousands of tonnes CO2 e)	1,66,262 Tonnes
Scope 3 Emissions		In progress

Biodiversity




Zydus Life Sciences Limited takes deliberate efforts for conserving biodiversity and work for impactful biodiversity enhancement.

No species listed in the International Union for Conservation of Nature (IUCN) Red List and National Conservation List was found to exist in or near the manufacturing units. All units are located outside biodiversity sensitive or notified protected areas; hence there is no such case of habitats affected by discharges of water and runoff from the unit.


While setting up new factories / units or during retrofitting / expansion, We are taking due consideration towards Biological Diversity Act and Rules. We are dedicated and maintaining the dense and opulent green belts across all the manufacturing units as per legal requirement and understand flora as natural purifier for their ability to take CO2 from the atmosphere.

Planting and maintaining trees is recognized as strategy adopted for decarbonizing and guarding biodiversity.



Total
5088 
trees were planted in
Company premise in
last three years for
protecting the biodiversity

The biodiversity drive is not limited to the company but has also extended to society by distributed and encourage the employees for the plantation at their places.

Total
2836 
plants distributed to
the employees for
protecting biodiversity

Environmental Indicator	Zydus Lifesciences
Total Trees Planted during FY 21-22	1797

Social

Human Capital



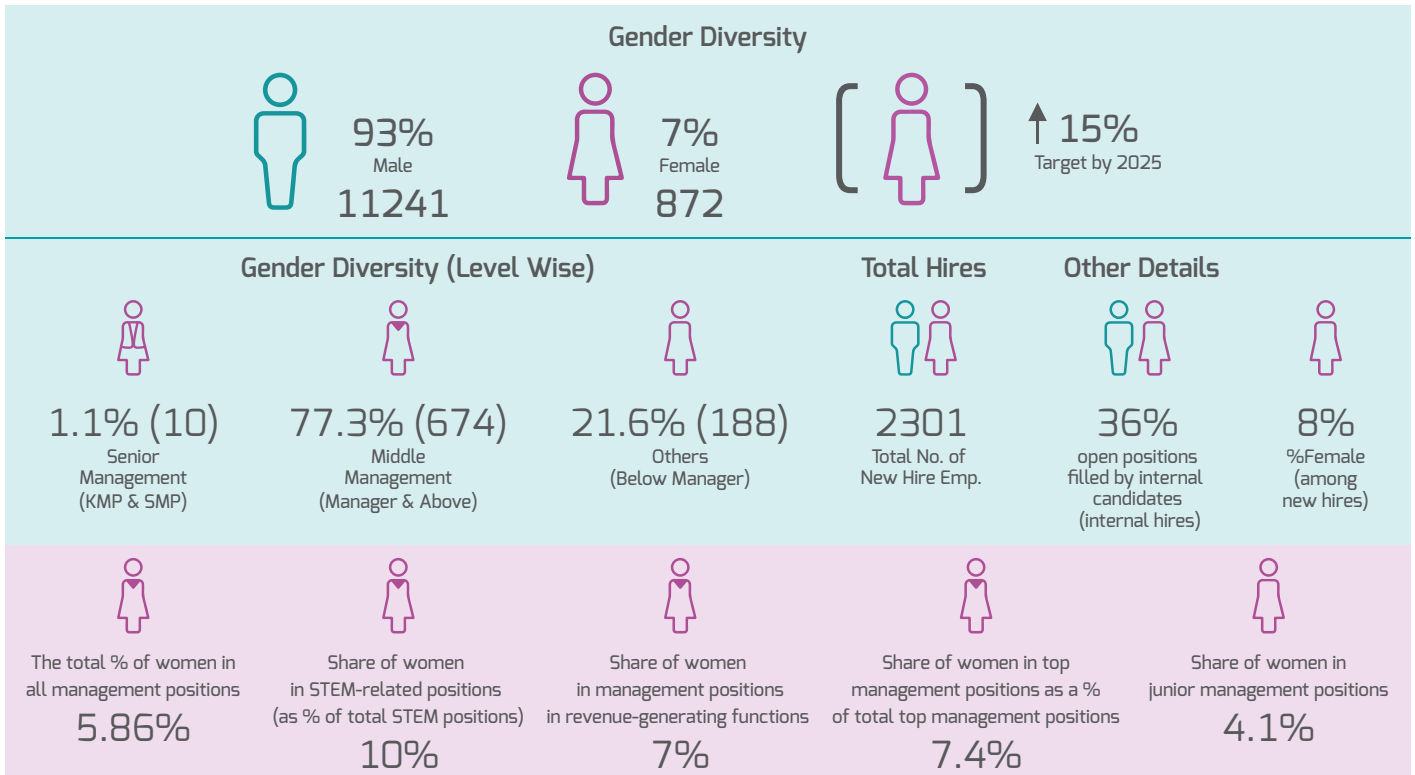
As a strategic business partner for growth, Zydus HR has been building organisational capabilities to deliver the desired business outcomes and acting as the catalyst for maximising the value in the organisation. At the heart of it all are initiatives which create an eco-system within the organisation that spurs transformation and change. The team has been leading several initiatives for organisational change, process agility, digitization, enhancing employee experience, building organisational capability and strengthening the impact of HR on business outcomes. All this leading to a stronger value proposition for the employees, business partners, stakeholders and customers. The year 2021-2022 was dedicated to organisational transformation and change towards building the Zydus of the future.

As a part of a larger transformation process, HR is focussing on creating an environment conducive for value creation, innovation, collaboration and growth. Creating people assets and investing in capability building have been at the heart of the organization's growth since 1995. Team HR has been looking at both conventional and differentiated approaches to create this culture of learning in the Company. Continuous capability building by skilling, re-skilling and up-skilling has been an ongoing process. Leadership development and strengthening the leadership bench strength is also an area of focus. Today the group has 495 leadership role holders. In a collaborative approach, our HR processes facilitate performance discussions every six months in a constructive way by linking performance dialogue with KPIs and enterprise score card. The Zyscore and Myscore discussions underline the sustainable business performance and outcome focussed culture at Zydus. The group has been consistently announcing its performance rewards and increments at the end of every financial year making it a unique aspect of its people-centric approach.

Combining the HR strategy with more efficient processes for delivery and execution, Zydus HR is creating a more agile and future ready organisation. The group recruits young and talented management graduates from premier institutes as trainees in the technical and corporate functions. The Zydus Group Resources Programme is successfully creating a future talent pipeline for the organisation.

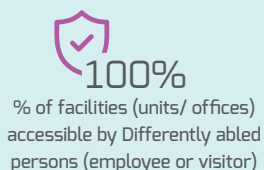
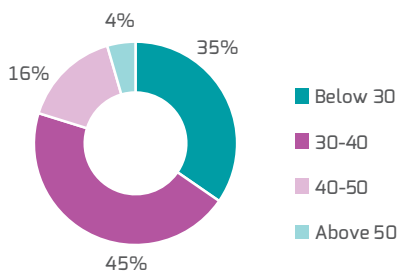


12,110	No. of Employees, India (ZLL)
3	No. of Employees, Global (ZLL)
12,113	Total Employees (ZLL)



Age Diversity: Average Age of Employees

Zydus Life Sciences



	Asian (Indian)	Others (Asian, US)
Nationality Diversity	99.9998%	0.0002%
Share in all management positions, including junior, middle and senior management (as % of total management workforce)	99.9998%	0.0002%
Growth in Median salary of employees (Y-o-Y)	8.53%	
Gender Pay Indicator (Male vs Female)	Mean gender pay gap 7%	
	Median gender pay gap -3%	



Human Capital Development



100%
Employee
Coverage



100%
covered by
Accident Insurance



100%
covered by
Life Insurance
in the event of death - Employee



100%
covered by
Life Insurance
in the event of death - Worker



100%
covered by
Maternity benefits



100%
covered by
Day Care Facilities

Attrition Rate (%)



Male (India base entity
w/o Int. & wellness)
18.3%



Female (India base
entity w/o Int.
& wellness)
20.2%



Average years of
association of
employees
5.5 years



Total Employee
Turnover Rate
18.4%

Voluntary turnover
17%



People Pulse Survey -
Employee Engagement Score

90%

Training & Development



Average Training
Hours per employee
12.67 hours



Average amount spent
per employee on training
Rs. 3,206.29 (ZLL)



% of employees covered
through training
(participated in training)



Statement on Freedom of Association

We have 5 associations in India, with worker representation of 3% overall. Zydus does not restrict any of its employees from association with trade union or collective bargaining agreements.



Health & Safety



OHS

As per EHS Policy, strive to achieve ZERO HARM target in terms of Incident and Injuries to people. Ensuring good health and safety of all employee is primary commitment and goal. We make consistent approach in safety-focused programmes and controls to strengthen our safety management system.

We are creating a safer work place through various safety awareness campaign such as publishing safety booklet (Near Miss, Process Safety, Hazards of Nitrogen, Toolbox Talk and Static Electricity), EHS Theme base working, EHS pictorial messages, EHS Days celebration. New and amendment Act, Rules, Guidelines, Achievements related to EHS are regularly updated biyearly on the Zydus EHS Portal.

All our manufacturing facilities have implemented safety management systems through Zysafe software (<http://zysafe/login.aspx>). All the employees has access of Zysafe software. Zysafe software consists of 9 different modules for EHS Scheduling, Observations, Corrective Action Preventive Action (CAPA), Incident and Investigation, EHS Monthly Report, Global CAPA, Work Permit, Safety Passport, EHS Quiz.



CSR



Aligning its mission and corporate social responsibility, the Company continues to create healthier, happier communities globally. Zydus Shrishti, the Company's CSR programme focusses on the areas of health, education and research. Making a difference To serve the needs of the patients and bring world-class medical education to the rural interiors of Gujarat, Zydus Foundation has set up the Zydus Medical College and Hospital at Dahod. First established in 1947 as a sanatorium, the Hospital at Dahod was adopted by the Company under the Brownfield Health Policy in 2016.

Since then, the Hospital has been converted into a full-fledged hospital as per MCI norms. From 150 beds, the hospital expanded to 650 beds with over 694 professionals including doctors, nurses and paramedics offering medical care in the year 2020. The Hospital provides free treatment including OPD, hospitalisation, all investigations, surgeries, anaesthesia, oral medicines, injectables and food for patients.



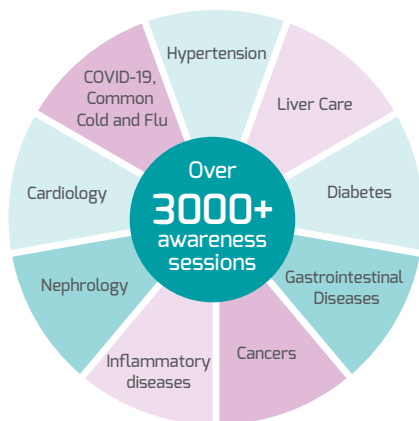
CSR Spent as a % of Net profit **2%**

Awareness against disease conditions

During the financial year, over 3000 awareness sessions for patients and healthcare providers (HCPs) were organised about different disease conditions including Hypertension, Liver Care, Diabetes, Gastrointestinal Diseases, Cancers, Inflammatory diseases, Nephrology, Cardiology, COVID-19, Common Cold and Flu.

Disease screening

The company also organised several camps to screen various diseases including Breast Cancer, Non-Alcoholic Fatty Liver Disease (NAFLD), Non- Alcoholic Steatohepatitis (NASH), Osteoporosis, Hepatitis and several other diseases where the company is working towards shaping better patient outcomes.



Supporting global bodies in fight against various diseases

Supporting various global bodies in creating awareness about various diseases like Hepatitis, Non-Alcoholic Fatty Liver Disease (NAFLD), Non- Alcoholic Steatohepatitis (NASH), Cancer and other key therapy areas for the company.

Supporting global bodies in fight against diseases

- Cancer foundations
- Liver and Hepatitis Awareness
- Gastrointestinal Diseases

Camps

- Fibroscan camp • Breast Cancer Screening
- Bone Mineral Density Camp
- Hepatitis therapy camps

Total CSR Spent by Zydus Lifesciences Limited

CSR initiative	Amount for FY-22 (Rs.)
Awareness camps on blood pressure and diabetes	11,88,720
Awareness camps on cancer	1,11,95,850
Together We Fly	94,00,000
Donation to SMILE foundation - Educating underprivileged children	5,00,000
Fibroscan camps for detecting NAFLD and NASH	3,60,00,000
Skill development programme at Zydus Skill Development Centre	9,45,61,155
Screening camps for Viral Hepatitis	1,00,00,000
Coalition for Global Hepatitis Elimination	78,17,780
Global Liver Institute as part of our contribution towards	
International NASH Day aimed at raising awareness on NAFLD	78,17,780
Awareness camps for BMD	15,00,000
Supporting Breast Cancer detection through camps organised by Niramai	1,20,000
CSR Expenditure at Dabhasa	10,56,705
TOTAL (A)	18,11,57,990
Contributed by ZHL which is subsidiary of ZLL (B)	32,56,720
Amount contributed by ZLL (A-B)	17,79,01,270
CSR-2% mandatory contribution	27,00,00,000
Philanthropic and mandatory CSR cumulative for final consideration	44,79,01,270





















CSR Impact
Assessment Report

Health Outcome Contribution



Healthcare costs are growing exponentially due to aging populations and the rise of chronic diseases. Therefore, companies are under increasing pressure from governments that seek to reform healthcare systems in order to lower costs and increase healthcare efficiency. Companies that are able to quantify the value they are providing to the healthcare systems, displaying evidence that their products significantly improve health outcomes, will have a long-term competitive advantage.

Prevention	Key Programs	KPI used to measure impact (e.g. # of patients reached)	Impact FY 2021	Forecast Impact FY 2022
BioNext 	Awareness Programs on Fatty Liver, Viral Hepatitis, Healthy Liver	No of patients reached both physically & through social media HCPs engaged Programs conducted	 1 million patients reached 400 HCPs engaged 300 programs conducted	 1 million patients reached 300 HCPs engaged 200 programs conducted
Oncology 	Screening for Breast Cancer	60-70 High risk patients	Covered 300  such high risk individual for early diagnosis	
	Corporate Awareness program	General cancer and breast cancer awareness in corporates with help of Oncologist for their staff mainly female staff	 15 such activities to cover 1000 people for awareness	
Nephrology 	World Kidney Day & other patient awareness meetings (Chronic Kidney Disease Awareness Programs)	Number of programs conducted across India Number of patients impacted	 4 (Patient gathering restricted due to Covid) 80 patients	 42 1050 patients
Vaxxicare 	Vaxxicare :Improving Immunisation rate (IIR) Initiative Vaccine awareness through In-clinic Art Competition to Improve the Subject-Dr Dialogue in-clinic with objective to improve awareness & adoption of vaccines.	KPI : No of Subject Engaged:~30000 KPI- Planned Implementation :1000 clinic with 50000 Subject Actual Implementation : 600+ clinics with 30000+ Subjects (Kids below 5 years) This Activity was initiated post opening of Lockdown (Post Covid) to Engage Kids Less than 5 Years & their Parents to improve Subject-Dr Dialogue on bridging the Gap of Vaccination & Improve immunisation rate	Activity helped Zydus Vaxxicare to create value with the pediatricians as Immunisation Partner who help improves vaccination rate in India with - 600+ Pead across India. 	Replication of activities will help Zydus Vaxxicare to partner with 1500+ Pead across 70 Cities in 2022 touching more than 1 Lakhs 5 subject & their parents on Pead, Catch-up & adult vaccination. This IIR activities help improve the education, awareness of vaccines & help improves the adoption of vaccines. This initiatives supports & strengthen the Govt vaccine awareness on ground to achieve SDG of reducing the children mortality & morbidity through adoption vaccines

Prevention	Key Programs	KPI used to measure impact (e.g. # of patients reached)	Impact FY 2021	Forecast Impact FY 2022
BioNext 	Viral Hepatitis Screening camps Fibro Liver scan camps	No of Camps conducted No of patients screened No of HCPs engaged No of Patients Positive / At risk No of patients converting to therapy	 Hepatitis 100 camps conducted 3000 pts screened Fibro (July – Dec) 1393 camps done, 196 doctors engaged, 9000 patients screened	 Hepatitis 90 camps conducted (Till June) 3000 + patients screened Fibro (Jan – June) 1848 camps done, 260 doctors engaged, 14000 patients screened 4500 patients
Biovation	BMD camps	No. of patients screened	 2115 patients	 4500 patients
Oncology	Nirami touch less Screening	KOL engagement, KOL awareness talk followed by Screening		
Treatment (adherence/ compliance and rehabilitation) - Nephrology	Patient awareness programs - Organ transplant	Number of programs conducted across India Number of patients impacted	 5 (Patient gathering restricted due to Covid) >100 patients	 25 >600 patients
End to End Cycle Solutions / Other Program Vaxxicare	Supply of vaccines to Pediatrician with Economical Pricing Other Program: Focus on Maternal Immunisation PROMISE-PROTECTING MATERNAL & NEONATAL LIVES THROUGH INFLUENZA & other vaccines VIRAM : Full Stop on Rabies	KPI : No of Activity with OBGYN KPI : No of Women Aware KPI : Vaccine Adoption during Pregnancy	NA	NA



Governance

Category	Governance Indicator	Zydus Lifesciences
Board Matters	Board size (As on March 2022)	8
	% Independent Directors (As on March 2022)	50%
	Gender Diversity - % Women Directors	13%
	Tenure > 10 years for Independent Directors	Fixed term of 5 years (upto 2 terms)
	Average Independent Directors Tenure	7 years
	Average Board Tenure	13.6 years
	Independent Directors: Independence criteria.	Disclosed in Annual Report
	Average Age	64.38 years
	Age Diversity: 40-49 Years	12.5%
	Age Diversity: 50-59 Years	12.5%
	Age Diversity: 60-69 Years	50%
	Age Diversity: 70-79 Years	25%
	Number of Board meetings	8
	Average Attendance	98%
	Minutes of the meeting	Within 15 days
	Number of Committee Meetings	43
Board Skill	Independent Directors - Pharma Industry Experience	Yes
	Independent Directors - Financial Expertise	Yes
Board Evaluation	Board evaluation – annual (formally)	Yes
	Committee evaluation – annual (formally)	Yes
	Individual Director evaluation – annual (formally)	Yes
	Evaluation criteria – Defined and disclosed	Yes
	Questionnaire based evaluation	Yes
Audit Committee	Size of Audit Committee	5
	Independent Director as Chairperson	Yes
	Independent Directors (%) (As on March 2022)	80
	Audit Committee Charter	Yes
	Number of Audit Committee meetings	4
Nomination & Remuneration Committee	Size of Nomination & Remuneration Committee	6
	Independent Directors (%) (As on March 2022)	67%
	Independent Director as Chairperson	Yes
	NRC Charter	Yes
	Number of NRC meetings	3
Corporate Social Responsibility Committee	Size of the CSR	3
	Independent Directors (%)	33%
	Number of CSR meetings	3
	CSR Charter	Yes
SRC	Number of SRC meetings (FY21)	1

Category	Governance Indicator	Zydus Lifesciences
Risk Management Committee	Number of RMC meetings (FY21)	1
	Size of the RMC	5
	Independent Directors (%)	20%
	Independent Director as Chairperson	No
	RMC Charter	Yes
Executive Remuneration	CEO-to-median remuneration of employee(FY21)	401.04
	Frequency: Annual declaration	Yes
Whistle Blower Policy	Number of whistle blower complaints received	0
Taxation	Whistle blower coverage - Employees	100%
	Whistle blower reporting mechanism - Email	Yes
	Whistle blower reporting mechanism - Letter	Yes
	Effective Tax Rate (%)	6.44%
	Cash Tax rate (%)	20.37%
SASB	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	0
	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	0
	Number of Class I recalls (or equivalent)	1
	Number of Class II recalls (or equivalent)	11
	"Percentage change in:	"Percentage change in:
	(1) average list price and	(1) average list price : (-5.7%)
	(2) average net price across U.S. product portfolio compared to previous year"	(2) average net price across U.S. product portfolio compared to previous year: (-10.6%)"
Political Contributions	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	0
	Contributions made to political campaigns, political organizations, lobbyists or lobbying organizations, trade associations and other tax-exempt groups	0



