



ZYDUS LIFESCIENCES LIMITED[#]

(Formerly known as Cadila Healthcare Limited)

Code of Business Conduct and Ethics for The Board of Directors and the Senior Management

The name of the Company was changed from Cadila Healthcare Limited to Zydus Lifesciences Limited with effect from February 24, 2022.

Policy versions

Sr. No.	Particulars	Board approval date	Effective from
1.	Initial adoption	May 16, 2014	May 16, 2014
2.	1 st Amendment	August 11, 2021	August 11, 2021
3.	2 nd Amendment	February 3, 2023	February 3, 2023

Introduction

- The Code of Conduct (“the **Code**”) shall be called “The Code of Conduct for Board of Directors and Senior Management” of Zydus Lifesciences Limited (formerly known as Cadila Healthcare Limited) (“the **Company**”).
- The Policy is revised as per regulation 17(5)(a) and 17(5)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the **Listing Regulations**”) and is effective from September 1, 2021.
- The purpose of the Code is to enhance further an ethical and transparent process in managing the affairs of the Company.

Definitions and Interpretations

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

Senior Management shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

Unpublished Price Sensitive Information (“UPSI”) means any information, relating to the Company or its securities, directly or indirectly, that is not Generally Available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

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

Applicability

The Code shall be applicable to the following persons:

- All the Board Members and
- All the Senior Management.

1. Ethical conduct:

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

2. Legal Compliance:

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

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

3. Conflict of Interest:

All Directors and Senior Management employees shall disclose actual and apparent conflicts of a material nature with the interests of the Company. All Directors and Senior Management shall not engage in any business, relationship or activity which might detrimentally conflict with the interest of the Company. They shall not divert to his / her advantage any business opportunity that the Company is in pursuit.

4. Disqualification:

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

5. Confidential Information:

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

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

6. Relationship with the suppliers, customers and consultants:

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

7. Office or Place of Profit:

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

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

8. Cost consciousness:

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

9. Independent judgement:

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

10. Rightful use of the Company’s assets:

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

11. Interaction with Media:

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

12. Health, Safety and Environment:

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

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

13. Transparency:

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

14. Code for Independent Directors:

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

1. They shall uphold ethical standards of integrity and probity,
2. They shall act objectively and constructively while exercising their duties,
3. They shall exercise their responsibility in a bonafide manner in the interest of the Company,
4. They shall devote sufficient time and attention to their professional obligations for informed and balanced decision making,
5. They shall not allow any extraneous consideration that will vitiate their exercise of objective independent judgement in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision making,
6. They shall not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associate persons,

7. They He shall refrain from any action that would lead to loss of their independence,
8. Where circumstances arise which makes an independent director lose his / her independence, he / she must immediately inform the Board accordingly and
9. They shall assist the Company in implementing the best corporate governance practices.

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

15. Certification by Directors and Senior Management:

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

16. Reporting of violations:

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

The Company will investigate any matter so reported and will take appropriate corrective action. There will be no retribution against individuals for reporting in faith of policy violations. However, individuals will not be protected from possible disciplinary action if matter reported is with a malicious intent (bad faith) or if the individual has otherwise engaged in misconduct.

17. Workplace free from harassment:

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

18. Disciplinary actions:

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

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

19. Power to amend the Code:

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

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

* * * * *