



Divi's Laboratories Limited

CODE OF ETHICS AND BUSINESS CONDUCT

1. INTRODUCTION

1.1. Divi's Laboratories Limited (the Company / Divi's) is committed to maintaining the highest standards of ethical conduct. This Code of Ethics and Business Conduct (the Code) reflects the norms, business practices and principles of behavior that support this commitment. Divi's Board is responsible for setting the standards of conduct in the Code and for updating these standards as appropriate and to reflect the legal and regulatory developments. Divi's expects every Director, every member of the Senior Management and every employee to read and understand this Code and apply it in the performance of his or her responsibilities.

1.2. This Code of Ethics and Business Conduct is adopted pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to:

- a) Set standards of corporate governance by complying with laws, rules and regulations applicable to the Company and to applicable policies and procedures adopted by the Company and to fulfill the obligations and responsibilities to the stakeholders.
- b) Set and implement high standards of transparency, integrity, accountability, and corporate social responsibility in all dealings.

1.3. The "Code of Ethics and Business Conduct" of the Company is based on the following fundamental principles:

- Lay solid foundations for exemplary and efficient management.
- Structure the Board to add value.
- Promote ethical and responsible decision-making.
- Safeguard integrity in financial reporting.
- Make timely and balanced disclosures.
- Recognize and manage business risks.
- Ensure the rights of the shareholders.
- Encourage enhanced performance.
- Remunerate fairly and responsibly.
- Protect the legitimate interest of the stakeholders.
- Legal and Statutory compliances in letter and spirit.
- Be an exemplary corporate citizen.



Divi's Laboratories Limited

2. APPLICABILITY

This Code is applicable to the following:

- All Directors on the Board of Director of the Company,
- All Key Management Personnel, including Chief Executive Officer, Chief Financial Officer, Company Secretary,
- All General Managers and Heads of Departments,
- All other employees of the Company, and
- All Consultants, Contractors, Service Providers and Professionals engaged by the Company.

Ethical Business Conduct is critical to our Business. Accordingly, Persons to whom this Code applies are expected to read, understand this Code and uphold these standards in day-to-day activities, and comply with all applicable laws, rules and regulations, the Code and all applicable policies and procedures adopted by the Company that govern the conduct of its Officers and employees and others as enumerated hereunder:

3. HONEST & ETHICAL CONDUCT

All Persons to whom this Code applies are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises, at offsite locations where the Company's business is being conducted, at Company sponsored business and social events, or at any other place where they are representing Company.

Honest conduct is a conduct that is free from fraud or deception. Ethical conduct is ethical handling of actual or apparent conflicts of interest between personal and professional relationship.

4. CONFLICTS OF INTEREST

The Persons to whom this Code applies shall not engage in any business, relationship or activity, which might detrimentally conflict with the interest of Divi's. A conflict of interest, actual or potential, may arise, directly or indirectly if Persons to whom this Code applies:

- a) engages in a business, relationship or activity with anyone who is party to a transaction with his or her company, firm or organisation;
- b) is in a position to derive a personal benefit or a benefit to any of his / her relatives or associates by making or influencing decisions relating to any transaction;



Divi's Laboratories Limited

- c) An independent judgment of the Company's or the group's best interest cannot be exercised.

The main areas of such actual or potential conflicts of interest would include the following:

- the Persons to whom this Code applies conducts business on behalf of his or her company, or being in a position to influence a decision with regard to his or her company's business with a supplier or customer of which his or her relative is a principal, officer or representative, resulting in a benefit to him/her or his/her relative.
- the Persons to whom this Code applies or a member of his or her family, receives improper personal benefits as a result of his or her position with a Company, whether received from that Company or a third party.
- Acceptance of gifts, donations, hospitality and/or entertainment beyond the customary level from existing or potential suppliers, customers or other third parties which have business dealings with the Company.

Notwithstanding that such or other instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested person should be made to the Company's management. It is also incumbent upon every Persons to whom this Code applies to make a full disclosure of any interest which the Persons or the Person's immediate family, which would include parents, spouse and children, may have in a company or firm which is a supplier, customer, distributor of or has other business dealings with his company.

Every officer who is required to make a disclosure as mentioned above shall do so, in writing, to his or her immediate superior, who shall forward to the Chief Executive Officer (CEO)/ Managing Director (MD) and/or to the Board of Directors / executive committee, if any, appointed by the Board and, upon a decision being taken in the matter, the officer concerned will be required to take necessary action as advised to resolve/avoid the conflict.

If a person to whom this Code applies, fails to make a disclosure as required herein, and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the Person, the management would take a serious view of the matter and consider suitable disciplinary and other appropriate actions against the Person.



Divi's Laboratories Limited

5. EXCLUSIVITY

All Persons to whom this Code applies are expected to devote their full attention with integrity and honesty to the business interests of the Company. They are prohibited from engaging in any activity that interferes with his proper discharge of responsibilities of the Company or is in conflict with or prejudicial to the interest of the Company. They should act in good faith, with responsibility due on competence, diligence and independence and in a manner to enhance and maintain the reputation of the Company. All Persons to whom this Code applies shall ensure that their actions in the conduct of business are totally transparent.

6. RESPONSIBILITY TO SHAREHOLDERS

Divi's is committed to enhancing shareholder value complying with all regulations and laws that govern shareholder rights and to act in the best interest of and fulfill fiduciary duties to the stakeholders of the Company. The Board of Directors of the Company shall duly and fairly inform its shareholders about all relevant aspects of the Company's business and disclose such information in accordance with the respective laws, regulations and agreements.

7. CORPORATE OPPORTUNITIES

The Persons to whom this Code applies shall not exploit for their own personal gain, opportunities discovered through the use of Company's Property, information, position, time or compete with the Company unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board declines to pursue such opportunity and permits the Person concerned to pursue such opportunity.

8. FAIR DEALING

Each Persons to whom this Code applies should endeavor to deal fairly with the Company's customers, suppliers, lenders, creditors, competitors, officers, and employees. All Persons to whom this Code applies shall ensure that in their dealings with suppliers and customers, the Company's interests are never compromised. None should take unfair advantage of others through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, money laundering or any other unfair dealing practice while dealing with matters relating to Divi's. Inappropriate use of proprietary information, misusing trade secret information obtained without the approval of the Company or the Board, or inducing such disclosures by past or present



Divi's Laboratories Limited

employees of other companies is prohibited. Any Persons to whom this Code applies must perform his or her duties in good faith, acting honestly, free from the intention to defraud.

9. EQUAL-OPPORTUNITIES EMPLOYER

Divi's shall ensure equal opportunities for all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, gender, age, nationality, ethnic origin or disability (to the extent it does not affect the performance of the expected functions), subject to applicable laws and regulations.

Employee policies and practices shall promote diversity and equality in the workplace, as well as compliance with the local labour laws and in all matters equal opportunity is provided to those eligible and the decisions are merit based, subject to applicable laws and regulations.

Minimum Wages and Benefits

Employees shall be paid minimum wages prescribed under local and other applicable laws. Divi's endeavours to provide benefits to its employees on a fair and appropriate basis, commensurate with its policies and applicable laws. Divi's shall adhere to the best HR practices in relation to wages, working hours, and other service conditions besides complying with all legal regulations.

Forced labour or child labour

Divi's does not engage any child labour and bonded labour. Any person seeking employment in Divi's should have completed 18 years of age and should have come out of his/her free will and not under coercion or under force.

No Corporal Punishment

Neither corporal punishment nor any other form of physical or psychological coercion shall be used on employees.

Freedom of Association

The lawful exercise of employee's right of forming association and collective bargaining shall be respected. Divi's shall not interfere with the lawful and peaceful exercise of these rights by the employees.



Divi's Laboratories Limited

10. ANTI HARASSMENT POLICY

Employees of Divi's shall be treated with dignity and in accordance with the policy of maintaining a work environment free of all forms of harassment, whether physical, verbal or psychological and respect for the right to privacy and the right to be heard.

Workplace harassment is defined as any action that inappropriately or unreasonably creates an intimidating, hostile or offensive work environment like unwelcome comments based on race, gender, religion or nationality. The Persons to whom this Code applies should adhere to and facilitate effective functioning of the Company's mechanism for redressal of complaints of harassment of any nature as per established policies and principles.

11. SEXUAL HARASSMENT

The Company is committed to maintaining a professional work environment and strongly disapproves of all forms of sexual harassment. Employees who believe they have been subjected to sexual harassment or who have witnessed such harassment should report to their immediate supervisor or functional head or P&A dept., who will immediately investigate into the matter and take action against the persons found guilty of such misconduct.

Sexual Harassment is a form of a behavior that affects the dignity of women at work. Sexual harassment includes, but is not limited to demanding sexual gratifications in exchange for favor in the job or threats of or taking adverse employment actions, if sexual favors are not granted or unwelcome physical contact or lewd behavior, comments, gestures, etc.

12. HEALTH, SAFETY AND ENVIRONMENT

Divi's shall protect the environment and provide for and regularly improve upon a healthy, safe and secure working environment for its employees. The Company conducts its operations avoiding or minimizing any possible adverse impact on the environment or employees and complying with the applicable laws, regulations, etc. and expects all Persons to whom this Code applies to obey those laws and regulations to protect the environment and the health and safety of employees and others around. It shall prevent the wasteful use of natural resources and be committed to improving the environment.



Divi's Laboratories Limited

13. CORPORATE SOCIAL RESPONSIBILITY

Divi's shall be committed to good corporate citizenship, not only in compliance with all relevant laws and regulations but also to promote public interest /good by encouraging community growth and development and voluntarily eliminating practices that harm the public. Divi's shall strive not only to protect the environment and world but to enhance it for future generations.

14. POLITICAL NON-ALIGNMENT

Divi's shall not support any specific political party or candidate for political office. The Company's conduct shall preclude any activity that could be interpreted as mutual dependence / favor with any political body or person. Divi's shall not offer or give any Company funds or property as donations to any political party, candidate or campaign, other than as permissible under the Companies Act, 2013 and other applicable laws.

15. BRIBERY, CORRUPTION AND MONEY LAUNDERING

Divi's adopts a zero-tolerance approach to bribery, corruption, and money laundering and is committed to acting professionally, fairly and with integrity in all its business activities and relationships. Divi's has set up operating and enforcing systems and policies to deter and detect bribery, corruption and money laundering. Divi's prohibits payments, offers or promises of payment, as well as giving, offering or promising of anything of value directly or indirectly to any representative of a customer, potential customer, Government Official, supplier, or other person or entity in connection with any transaction for/of Divi's or business with such person or entity to assist Divi's in obtaining or retaining an improper business advantage, whether or not any benefit is received. Divi's expects such conduct and commitment from the Persons to whom this Code applies and all its vendors, customers and others dealing with or on behalf of / for Divi's.

16. GIFTS AND DONATIONS

The Company's policy prohibits the receipt of gifts particularly from individuals or firms with which the Company has business dealings. Persons to whom this Code applies shall neither receive nor offer or make, directly or indirectly, any legal payments, remuneration, gifts, donations or comparable benefits that are intended or perceived to obtain uncompetitive favors of the conduct of its business. The only



Divi's Laboratories Limited

exception is the receipt of complementary items that carry company's name printed or embossed on it so as to clearly establish that it is sales promotional item. The gifts, if any, received shall be handed over to the P&A Department.

17. CONFIDENTIALITY

The term "confidential information" includes, but is not limited to, non-public information that might be of use to competitors of the Company, or harmful to the Company or its customers, if disclosed.

Examples of confidential information may include technical information, design and process data, pricing information, business or strategic plans, work processes and capabilities, project implementations, software and technology, research and development, lists of clients and suppliers and information belonging to third parties which has been entrusted to the Company.

The Persons to whom this Code applies shall not disclose/reveal any facts/figures/information/trade secrets or confidential information and documents in written/verbal form, either belonging to/relating to the Company or obtained during the course of business relationship with/for the Company to any other person(s)/ authority /organization /statutory body without specific written permission of or intimation to the Company unless required by law, regulations or during legal proceedings.

18. SECURITIES TRANSACTIONS AND CONFIDENTIAL INFORMATION

The Persons to whom this Code applies, and his / her immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company or the group, which is not in the public domain and thus constituting insider information.

The Persons to whom this Code applies shall not use or proliferate information which is not available to the investing public, and which therefore constitutes insider information for making or giving advice on investment decisions on the securities of the respective company on which such insider information has been obtained.

Such insider information might include the following:

- Periodical financial results of the Company;
- acquisition and divestiture of businesses or business units;
- financial information such as profits, earnings and dividends;



Divi's Laboratories Limited

- announcement of new product introductions or developments;
- asset revaluations;
- investment decisions/plans;
- restructuring plans;
- major supply and delivery agreements;
- raising finances;
- issue of new securities and buy back of its own shares;
- expansion/new projects;
- disposal of whole or substantial part of the Undertaking; and
- amalgamation, merger or takeover
- information regarding any regulatory proceedings, approvals, etc.

19. PROTECTING COMPANY ASSETS

The assets of the Company should not be misused but employed for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as proprietary or patent information, relationships with customers and suppliers, etc.

20. FAIR COMPETITION

The Company believes in free and open competition and achieves competitive advantages through superior performance and not through unethical or illegal business practices. The Company or any of its officials never discuss, make or appear to make improper agreements with, or collude with, competitors about: markets, territories, pricing, contracts, bids or quotes, customers and costs. The Company strives to comply with applicable fair competition laws.

21. REGULATORY COMPLIANCE

The Company and every Officer of the Company shall, in his or her business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he or she operates. Officers must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers and to know when to seek advice from higher authorities / outside experts. Every Officer of the Company shall also ensure compliance to the financial reporting regulations and procedures and assist the Audit Committee of the Board for



Divi's Laboratories Limited

ensuring a fair and proper financial, accounting and internal accounting systems and controls.

Violations of applicable governmental laws, rules and regulations may subject them to individual criminal or civil liability, as well as to disciplinary action by the Company.

22. CODE FOR INDEPENDENT DIRECTORS

22.1. During the tenure of appointment, an Independent Director will:

- i. faithfully, efficiently, competently, diligently, and in willing co- operation with others, perform your duties as an independent non- executive director and carry out all reasonable and lawful directions given by or under the authority of the Board and use your best endeavours to promote and extend the interests and reputation of the Company;
- ii. comply with the Articles of Association of the Company, Code of Conduct for Independent Directors, any relevant internal guidelines and codes, including (but not limited to) the Code of Ethics and Business Conduct for Board and Senior Management and Divi's Code on Insider Trading.
- iii. Attend the Board/Committee meetings, extraordinary and annual general meetings of the Company as and when required; and
- iv. Promptly declare, so far as he/she is aware, the nature of any interest, whether direct or indirect, in any contract or proposed contract entered into by the Company.

22.2 The Company has established formal Audit committee, Compensation, Nomination and Remuneration Committee, CSR Committee and Stakeholders Relationship Committees. An Independent director may be appointed by the Board to be a member of such committees as the Board may decide. Independent Director will be expected to serve such committees as may be decided by the Board and attend meetings of such committees and serve on any other committees as the Board may require from time to time and exercise any functions as are specifically delegated to him/her by the Board.

22.3 An Independent director will have the same general legal responsibilities to the Company as any other member of the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the laws and



Divi's Laboratories Limited

relevant standards.

- 22.4 An Independent Director will comply with the relevant provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws and regulations.
- 22.5 Any communication with or requests for information by press, investors, market analysts or other third parties should be referred to the Chairman for the time being of the Company.
- 22.6 Non-executive directors do not have authority to commit the Company in any way, without the express authorisation of the Board and are not expected to undertake any executive duties or to assume executive responsibilities.
- 22.7 The Independent Directors shall abide by the Code for Independent Directors specified in Schedule IV of the Companies Act, 2013.

23. COMPLIANCE WITH CODE OF CONDUCT

The Compliance of the Code shall be ensured by the Nodal Officer as authorized by CEO/MD of the Company.

Violations of the Code will result in disciplinary action, which may even include termination/ removal from the office of the Company.

If a Person to whom the Code applies knows of or suspects of a violation of applicable laws, rules or regulations or the Code, he/she must immediately report the same to the Nodal Officer. Such person should as far as possible provide the details of suspected violations with all known particulars relating to the issue.

If a Person intends to report violation of the Code by any other Person for whom the Code is applicable, he/she may do so by writing to the Nodal Officer or Vigilance Officer of the Company at cs@divislabs.com.

The Company recognizes that resolving such problems or concerns will advance the overall interests of the Company that will help to safeguard the Company's assets, financial integrity and reputation.

After an investigation of such suspected violations, a report shall be submitted by the



Divi's Laboratories Limited

Nodal Officer to the CEO/MD. The Company's CEO/MD shall determine appropriate action in response to violations of the Code. Significant cases of violations shall be brought to the notice of the Board of Directors for taking appropriate actions. However, the action to be taken on violations of the Code, if any, by the Directors, CEO, CFO and Company Secretary shall be decided upon by the Board of Directors.

24. INTERPRETATION OF CODE

Any question or interpretation under this Code of Ethics and Business Conduct will be handled by the Board or any person /committee authorised by the Board of the Company.

25. WAIVER / AMENDMENT OF THE CODE

The Board of Directors or CEO/MD of the Company has the authority to waive compliance with this Code of Ethics and Business Conduct for any Director, Officer of the Company or Person to whom the Code applies. The person-seeking waiver of this Code shall make full disclosure of the particular circumstances to the Board or CEO/MD of the Company.

Further, the Company is committed to continuously reviewing and updating its policies and procedures. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code must be approved in writing by the Company's Board of Directors / CEO / MD and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of such amendment or waiver.

26. CERTIFICATION

Each of the Directors and members of the Senior Management and every other person to whom this Code is made applicable, shall file with the Company Secretary of the Company, or any other person appointed for this purpose, a certificate addressed to the Board of Directors, by the 1st of April of every year, confirming his/her compliance with the provisions of this Code.



Divi's Laboratories Limited

27. ACKNOWLEDGEMENT OF RECEIPT OF CODE OF ETHICS AND BUSINESS CONDUCT BY BOARD MEMBERS, SENIOR MANAGEMENT OFFICIALS AND OTHER EMPLOYEES OF THE COMPANY

Each of the Persons to whom this Code applies shall acknowledge receipt of the Code and confirm having received and read the Company's "Code of Ethics and Business Conduct" ("the Code") and agree to comply with the Code.

Rev: 03

Date: 23/02/2022



Divi's Laboratories Limited

DETAILS OF NODAL OFFICER FOR CODE OF ETHICS AND BUSINESS CONDUCT

Pursuant to Clause 23 of the Code of Ethics and Business Conduct (the Code) of Divi's Laboratories Limited, Dr. Murali K. Divi, Managing Director of the Company has authorized the following official as Nodal Officer for the Code:

Name : D. Madhu Babu
Designation : Vice President (Projects)
Email Id : dmadhubabu@divislabs.com
Address : 1-72/23(P)/Divis/303, Divi Towers,
Cyber Hills, Gachibowli, Hyderabad – 500 032