



*Divi's Laboratories Limited*



Leading with Purpose.  
Driving Responsible Growth.



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## CORPORATE OVERVIEW

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## SUSTAINABILITY AT DIVI'S

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# Leading with Purpose. Driving Responsible Growth.

At Divi's, we are driven by a deep sense of purpose - to contribute to global health through our customers and partners, driving sustainable positive impact. Over the years, we have embraced the principles of purpose-driven leadership to create long-term value that extends beyond financial performance and helped us establish ourselves as a key player in the pharmaceutical industry.

Our integrated business model focused on sustainability, helped us enhance our agility, efficiency, and the delivery of customer-centric solutions. As sustainability becomes increasingly important for companies, our commitment to leading with purpose manifests in various dimensions of our operations. We have implemented robust environmental sustainability practices, reduced our carbon footprint, and we promote resource efficiency across our value chain. With a focus on strategic partnerships, fostering social progress, and empowering individuals, our vision is to be a sustainable, and ethical corporate organisation. We strive to set our mark through responsible business thus upholding our leadership position.

### Forward - looking statements

Some information in this report may contain forward - looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward - looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward - looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward - looking statements. We undertake no obligation to update or revise any forwardlooking statement, whether as a result of new information, future events, or otherwise.



To know more about Divi's log on to  
[www.divislabs.com](http://www.divislabs.com)



# FY 2022-23 highlights



## OPERATIONAL

- Ground-breaking of a Greenfield Manufacturing Unit (Unit III)
- Investments in new technologies, enhanced production capacities and diversification of Generic API portfolio
- Expanded our Contrast Media API product offerings and started commercial manufacturing
- Filed for patents involving novel synthesis methods



## FINANCIAL

**₹ 7,97,431 lakhs**

TOTAL INCOME

**₹ 2,35,410 lakhs**

PROFIT BEFORE TAX

**₹ 68.11**

EARNINGS PER SHARE

**₹ 1,80,815 lakhs**

PROFIT AFTER TAX



## ENVIRONMENT

**~1,58,71,000 kWh**

ENERGY CONSERVED

**~39,000 m<sup>3</sup>**

WATER CONSERVED

**~85 MT**

WASTE REDUCED

**~15,500 tCO<sub>2</sub>e**

GHG EMISSIONS REDUCED



## SOCIAL

**~9.9%**

FEMALE EMPLOYEES

**~88,000**

EHS TRAINING SESSIONS

**~31 million**

SAFE MAN-HOURS

**₹ 5,385 lakhs**

CSR BUDGET



## GOVERNANCE

**100%**

SHAREHOLDER GRIEVANCE RESOLVED

**96%**

AVERAGE BOARD MEETING ATTENDANCE

**58%**

INDEPENDENT DIRECTORS ON BOARD

Divi's at a glance

# Advancing innovation through sustainable chemistry

We are one of the leading pharmaceutical companies in the world, manufacturing and supplying Active Pharmaceutical Ingredients (APIs), Intermediates, and Nutraceuticals.



## Vision

We envision creating value for all stakeholders by manufacturing high quality Generic APIs, Custom synthesis of APIs & Intermediates along with Nutraceutical Ingredients for the Global Pharmaceutical & Nutraceutical industry through sustainable leadership in chemistry.



## Mission

We at Divi's aim to be a responsible business, adding value through our core competency in the area of chemistry while adhering to our core values and serving the immediate community and at large through our diverse social initiatives that would establish a strong foundation for a better tomorrow for all stakeholders.

## Unique Attributes of Divi's

Divi's has established a distinguished position in the pharmaceutical industry through its API-centric business model, focus on reliability, adherence to global quality standards, continuous process innovation, and commitment to sustainability and safety.



### COMPLIMENTARY

Divi's is an API-exclusive manufacturer that doesn't market dosage forms or compete with customers.



### RELIABLE SUPPLY PARTNER

With significant capacities, dedicated production blocks, and backward integration, Divi's provides safety stocks tailored to customer needs.



### UNIFORM QUALITY

Divi's ensures uniform quality globally and has in-house capability for comprehensive assessment of genotoxic impurities.



### ROBUST R&D CAPABILITIES

Divi's focuses on continuous process innovation to increase process efficiency while adhering to the principles of green chemistry.



### SUSTAINABILITY FOCUSED

Divi's is committed to reducing emissions and conserving water and energy.

## Business segments

At Divi's, we have a clear focus on three distinct business segments: Generic APIs, Custom Synthesis, and Nutraceuticals. Each of these segments has been meticulously developed to meet the unique needs of customers in various markets.



### GENERIC APIs

At Divi's, we take pride in being recognised as one of the world's largest API manufacturers, offering a selective list of 30 Generic APIs commercially manufactured in 10's to 100's/1000's of metric tonnes each year. Our commitment to achieving global leadership in the molecules we have selected is evident in our position as the world's largest API manufacturer for 10 of the generic APIs we manufacture.

Our manufacturing facilities have undergone numerous audits by regulatory authorities, global environmental, health and safety teams, and Big pharma/ multi-national companies.



### CUSTOM SYNTHESIS

Our Custom Synthesis segment offers contract manufacturing services of APIs and Intermediates for global innovator companies across a vast portfolio of products in diverse therapeutic areas. Our competent and qualified R&D team consisting of over ~400 scientists specialises in developing innovative processes and continuously optimising them to maintain a competitive leadership position.

We are a global partner trusted by leading pharmaceutical companies in over 100 countries, including 12 out of the top 20 Big Pharma.



### NUTRACEUTICALS

At Divi's, we also have a Nutraceutical Facility at our Unit II manufacturing site, which is an integrated facility for the production of active ingredients and finished forms of Carotenoids. We supply most of the carotenoids to all the major food, dietary supplement, and feed manufacturers around the world. Our product portfolio includes a complete set of Carotenoids such as Beta Carotene, Astaxanthin, Lycopene, Canthaxanthin, as well as other finished forms such as Lutein, Vitamins (A, D3, D2, E Acetate, and A Palmitate).

Our Nutraceutical Facility has been frequently audited by various regulatory/statutory authorities such as US FDA (CFR 110) and Halal/Kosher.



Divi's at a glance

## Our Key Strengths



### LARGE-SCALE AND RELIABLE PRODUCTION FACILITIES

Our state-of-the-art manufacturing facilities and research capabilities have earned us a reputable name in the global pharmaceutical market. With two manufacturing units and a third one under construction, we have enormous scales of production and are one of the world's largest API companies.

2

WORLD CLASS MANUFACTURING UNITS WITH A COMBINED CAPACITY OF OVER ~14,600 M<sup>3</sup>



### API-CENTRIC PORTFOLIO

Our portfolio of ~160 products covers diverse therapeutic areas, making us a leading manufacturer and supplier of high-quality Generics, Custom Synthesis of APIs and intermediates, and Nutraceutical ingredients.

Largest

API MANUFACTURER IN THE WORLD FOR 10 OF THE GENERIC APIS MANUFACTURED



### ESTABLISHED R&D CAPABILITIES

Divi's has established three R&D centres with competent and qualified teams that focus on continuous process improvement to maintain sustainable chemistry while ensuring the safety of people and the environment. As a testament to our commitment, we have been granted several process patents, further validating the sustainability of our products.

~400

SCIENTISTS WORKING IN THREE R&D CENTRES ACROSS FUNCTIONS



### ROBUST WORKFORCE

With a highly skilled and diverse team of professionals across departments, Divi's is committed to deliver world-class products to customers. Our disciplined execution of sustainable chemistry makes us a trusted partner for global innovator companies.

16,950+

EMPLOYEES ACROSS THREE COUNTRIES

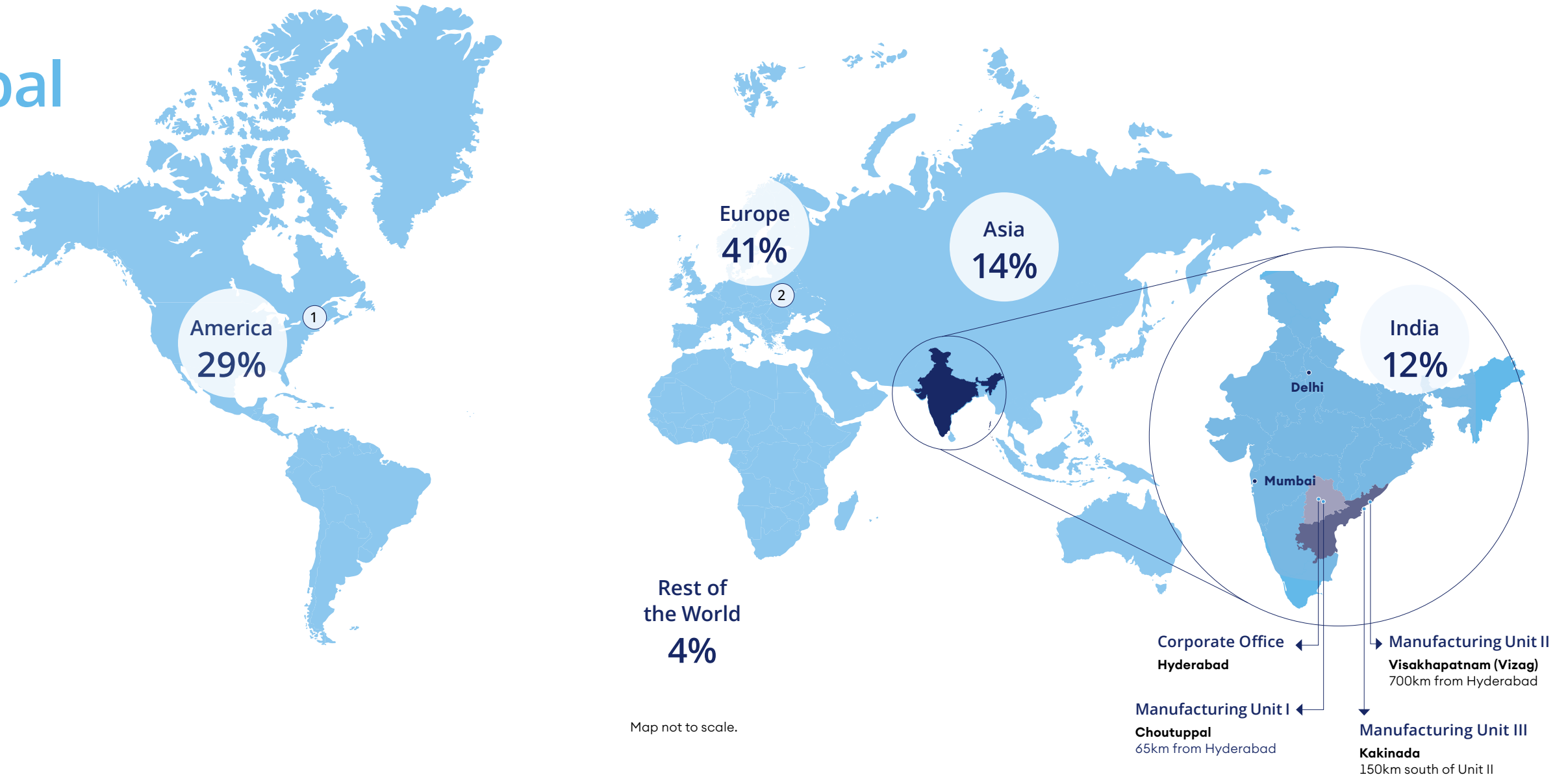




Geographic presence

# Expanding global reach

With a focus on innovation and excellence, Divi's has established a strong global presence across several geographic locations worldwide.



Map not to scale.

| AMERICA  |          |          |          |
|----------|----------|----------|----------|
| 2019-20  | 2020-21  | 2021-22  | 2022-23  |
| 1,21,813 | 1,58,652 | 3,83,291 | 2,20,140 |
| 22.9%    | 23.3%    | 43.1%    | 29.3%    |

| EUROPE   |          |          |          |
|----------|----------|----------|----------|
| 2019-20  | 2020-21  | 2021-22  | 2022-23  |
| 2,49,850 | 3,17,415 | 2,86,480 | 3,05,977 |
| 47%      | 46.6%    | 32.2%    | 40.7%    |

| INDIA   |         |          |         |
|---------|---------|----------|---------|
| 2019-20 | 2020-21 | 2021-22  | 2022-23 |
| 78,396  | 91,236  | 1,03,784 | 87,402  |
| 14.8%   | 13.4%   | 11.7%    | 11.6%   |

| ASIA    |         |         |          |
|---------|---------|---------|----------|
| 2019-20 | 2020-21 | 2021-22 | 2022-23  |
| 59,474  | 82,675  | 79,807  | 1,03,931 |
| 11.2%   | 12.2%   | 9.0%    | 13.8%    |

| REST OF THE WORLD |         |         |         |
|-------------------|---------|---------|---------|
| 2019-20           | 2020-21 | 2021-22 | 2022-23 |
| 21,524            | 29,883  | 34,620  | 34,923  |
| 4.1%              | 4.4%    | 3.9%    | 4.6%    |

SALES (₹ In lakhs)  
% Share

### Manufacturing units

#### Unit 1: Hyderabad

**Choutuppal Unit:** Lingojjigudem Village, Choutuppal Mandal, Yadadri Bhuvanagiri Dist. (TS) Pin - 508252

**DC SEZ Unit:** Lingojjigudem Village, Choutuppal Mandal, Yadadri Bhuvanagiri Dist. (TS) Pin - 508252

#### Unit 3: Kakinada (Under Construction)

Ontimamidi Village (Kona), Thondangi Post, Thondangi Mandal, Kakinada Dist. (A.P) Pin - 533408

#### Unit 2: Visakhapatnam

**Export Oriented Unit:** Chippada Village, Bheemunipatnam Mandal, Visakhapatnam Dist. (A.P) Pin - 531163

**Divi's Pharma SEZ:** Chippada Village, Bheemunipatnam Mandal, Visakhapatnam Dist. (A.P) Pin - 531163

**DSN SEZ Unit:** Chippada Village, Bheemunipatnam Mandal, Visakhapatnam Dist. (A.P) Pin - 531163

**DCV SEZ Unit:** Chippada Village, Bheemunipatnam Mandal, Visakhapatnam Dist. (A.P) Pin - 531163

### Subsidiaries

- ① New Jersey, USA
- ② Basel, Switzerland



## Managing Director's Perspective

# Pursuing Responsible Growth



Over the past year, we have navigated through diverse global scenarios and hereby present our 33<sup>rd</sup> annual report that demonstrates our commitment to responsible growth through shared value creation for all our stakeholders.

**DR. MURALI K. DIVI**  
Managing Director

### Dear Shareholders,

The industry has been rapidly evolving with rising demand for affordable products, changing healthcare policies, technological advancements, the need for innovative solutions, and the emergence of newer therapies.

The past year was marked with global inflation, geopolitical uncertainty, energy crisis, and supply chain disruptions in various parts of the world. It is worth noting that despite a challenging global scenario and fast-changing industry landscape, Divi's continued to be a reliable partner by fulfilling customer requirements through prudent supply chain management and operational excellence. We have

been closely monitoring global developments to proactively manage risks and capitalise on opportunities ahead.

### A YEAR OF RESILIENCE

During the past year, we had the unique opportunity to serve the demand for COVID products, which contributed significantly to our growth in FY 2022 and in the first half of FY 2023. As the pandemic situation stabilised and the demand for Anti-COVID drugs decreased, our revenue and profitabilities have started to level off.

In addition, we faced some headwinds due to pricing pressures on APIs and an increase in raw material costs, which impacted our profitability. However, some of the cost increases were mitigated due to the long-term supplier contracts and our existing backward integration initiatives. Nonetheless, we remain optimistic about our Generic API product portfolio along with new Custom Synthesis opportunities that lie ahead.

### THE BIGGER PICTURE

As we strive to maintain our leadership position in our core products and expand our portfolio with new product offerings, we are focused on unlocking growth potential through our six-point strategic approach. With the expiry of new molecules, we see possibilities for new product launches over the next three years. Towards this, we have filed drug master files that we expect will contribute to our growth in the upcoming years.

We have expanded our Sartan portfolio further by leveraging our backward integration and innovative technology to manufacture starting materials and hold ambitious aspirations of becoming a leader in Sartan manufacturing.

With the increasing global demand for Contrast Media, we aim to secure a substantial share of the world market. By providing reliable and high-quality products, and expanding to newer categories, particularly MRI contrast media, we intend to broaden our business presence in this growing market.

### WELL-POSITIONED FOR THE NEXT

On the CAPEX front, I am pleased to update you on our Unit III project. With all the necessary clearances in place, we have secured 500 acres of land and started construction activities. We have outlaid an initial investment of approximately ₹1,200 Cr to ₹1,500 Cr for Phase 1 with a further scope for expansion in future.

This state-of-the-art facility will manufacture starting materials, advanced intermediates, and APIs that require complex chemistry, providing us with a competitive edge in the market. We expect the Unit III project to contribute to our growth beyond FY 2025. I am confident that with this project, we are well-positioned to further strengthen our leadership position in the industry.

### CARING FOR THE SOCIETY

As a responsible pharmaceutical company, we believe in giving back to the communities around us. During the year, we undertook several CSR initiatives to address the pressing issues faced by our neighbouring communities. Our efforts include providing safe drinking water, empowering women, developing infrastructure, promoting healthcare and child education for the rural communities.

One of our notable initiatives during the year was Project Jalaprasadam, which is driven by our purpose of providing safe drinking water by installing state-of-the-art water purification RO plants at various temples in both the states we operate.

### A SUSTAINABLE FUTURE AHEAD

I am pleased to see how Divi's has demonstrated resilience in a challenging global environment and evolving industry landscape. Moving forward, our commitment to responsible growth through sustainability in chemistry and shared value creation for our stakeholders remains steadfast.

By leveraging our three-decades of expertise in chemistry, execution excellence, and resources, we are focused on strengthening our industry leadership while contributing to the betterment of society.

Finally, I extend my deepest gratitude to all our stakeholders for their continued trust and support, which has been instrumental to our success over the past 33 years. Your confidence in Divi's drives us to strive for excellence and continue to be a sustainable and reliable partner for the global pharmaceutical industry.

Warm Regards,

**Dr. Murali K. Divi**  
Managing Director



Governance

# Board of Directors



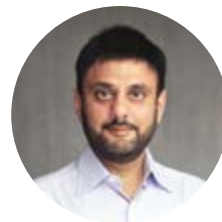
**Dr. Ramesh B. V. Nimmagadda**  
Non-Executive Chairman & Independent Director



**Dr. Murali K. Divi**  
Managing Director



**N. V. Ramana**  
Executive Director



**Dr. Kiran S. Divi**  
Whole-time Director & Chief Executive Officer



**Nilima Prasad Divi**  
Whole-time Director (Commercial)



**Madhusudana Rao Divi**  
Whole-time Director (Projects)



**Dr. G. Suresh Kumar**  
Independent Director



**R. Ranga Rao**  
Independent Director



**K. V. K. Seshavataram**  
Independent Director



**Dr. S. Ganapaty**  
Independent Director



**Prof. Sunaina Singh**  
Independent Director



**K. V. Chowdary**  
Independent Director



- Audit Committee
- Compensation, Nomination and Remuneration Committee
- Stakeholders Relationship Committee

- Corporate Social Responsibility Committee
- Risk Management Committee
- © Chairman    (M) Member

# Corporate Information

## Manufacturing Facilities

### Unit 1: Hyderabad

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### Unit 3: Kakinada (Under Construction)

Ontimamidi Village (Kona), Thondangi Post, Thondangi Mandal, Kakinada Dist, (A.P) Pin - 533408

## R&D Centres

B-34, Industrial Estate Sanathnagar, Hyderabad. (TG) Pin - 500018.

Lingojugudem Village Choutuppal Mandal Yadadri Bhuvanagiri Dist. (TG) Pin - 508252

Chippada Village, Bheemunipatnam Mandal, Visakhapatnam Dist. (A.P) Pin - 531163

## Subsidiaries

**Divis Laboratories (USA) Inc;** New Jersey, USA

**Divi's Laboratories Europe AG,** Basel, Switzerland

## Registered Office

Divi Towers, 1-72/23(P)/DIVIS/303 Cyber Hills, Gachibowli, Hyderabad - 500032  
CIN : L24110TG1990PLC011854  
Phone : +91 40 66966300  
Fax: +91 40 66966460  
E-mail : mail@divislabs.com  
Website : www.divislabs.com

## Auditors

**Statutory Auditors**  
Price Waterhouse Chartered Accountants LLP, Unit-2B 8th Floor, Octave Block Block E1, Parcel-4 Salarpuria Sattva Knowledge City Raidurg, Hyderabad - 500081

## Cost Auditors

**EVS & Associates**  
Cost Accountants 205, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500001

## Secretarial Auditors

**V. Bhaskara Rao & Co.**  
Company Secretaries, 6-2-1085/B Flat No.-105, Badam Sohana Apts Raj Bhavan Road, Somajiguda, Hyderabad - 500082

## Bankers

**State Bank of India**  
CCG Branch, Door No. 8-2-684/2/A I Floor, NSL Icon Building Anand Banjara Colony Road No. 12, Banjara Hills; Hyderabad - 500034

**HDFC Bank Ltd.**  
Bank House, Wholesale Banking Operations, H.No.6-3-246 & 244 Road No. 1, Banjara Hills; Hyderabad - 500034

## Registrar & Share Transfer Agent

**Kfin Technologies Limited**  
Selenium Tower B, Plot No. 31-32 Gachibowli, Financial District, Nanakramguda, Hyderabad- 500032  
CIN: U72400TG2017PTC117649  
Phone No: 040-67161526,  
Fax: 040-23001153  
Toll Free No.: 1800 4258 998  
E-mail: einward.ris@kfintech.com

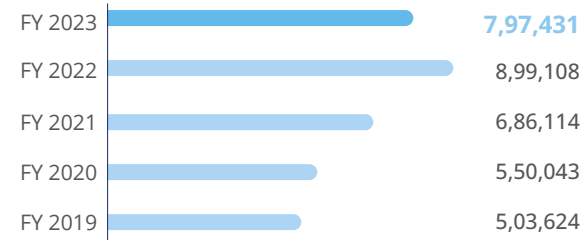
## Date, Time & Mode of AGM

Monday, August 28, 2023 at 10.00 AM IST Through Video Conferencing (VC) Other Audio Visual Means (OAVM)

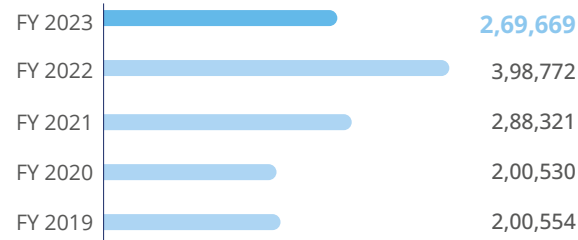


## Key performance indicators

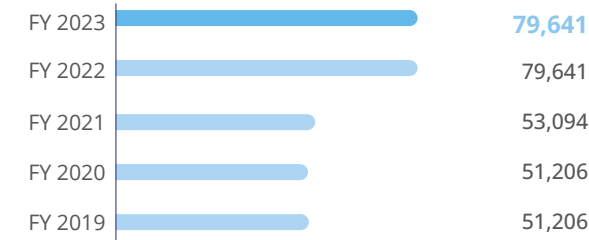
### Total Income (₹ in lakhs)



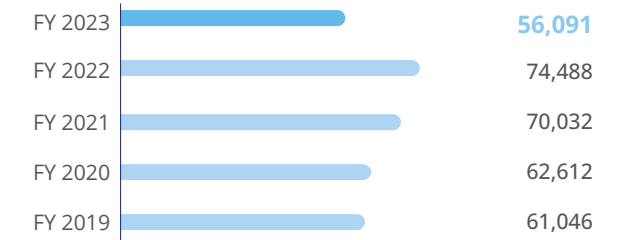
### EBDIT (₹ in lakhs)



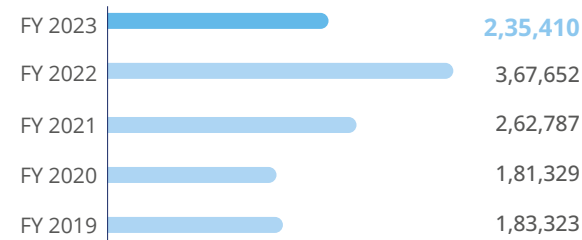
### Dividend (₹ in lakhs)



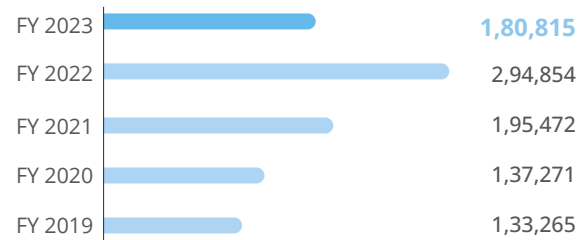
### National Exchequer (₹ in lakhs)



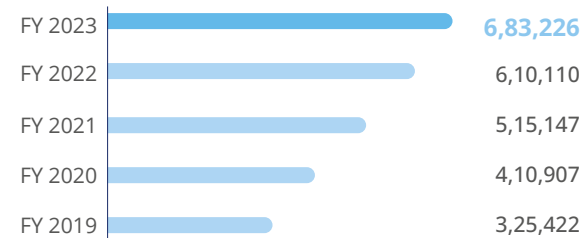
### PBT (₹ in lakhs)



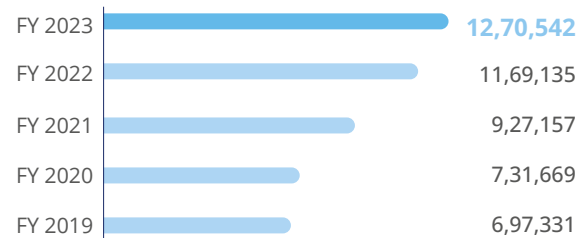
### PAT (₹ in lakhs)



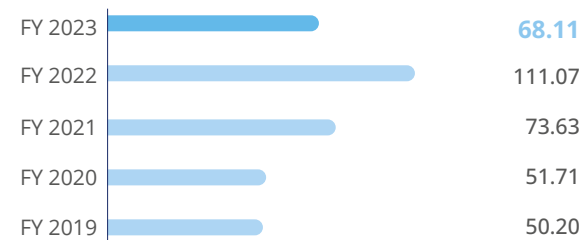
### Gross Fixed Assets (₹ in lakhs)



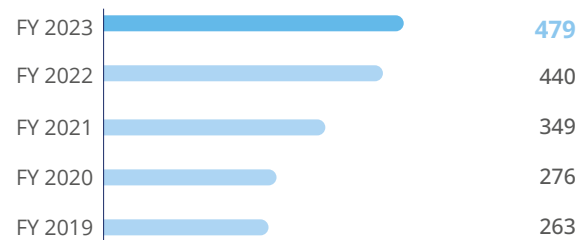
### Net Worth (₹ in lakhs)



### EPS (₹)



### Book Value Per Share (₹)



|   | 2018-19  | 2019-20  | 2020-21  | 2021-22   | 2022-23   |
|---|----------|----------|----------|-----------|-----------|
| <b>Turnover and Profit</b>                            |          |          |          |           |           |
| Revenue   | 4,87,966 | 5,31,057 | 6,79,861 | 8,87,982  | 7,62,530  |
| Revenue Growth %                                      | 27%      | 9%       | 67%      | 0%        | -14%      |
| Other Income  | 1,56,58  | 1,89,86  | 6,253    | 11,126    | 34,901    |
| Total Income (₹ In lakhs)                             | 5,03,624 | 5,50,043 | 6,86,114 | 8,99,108  | 7,97,431  |
| Total Income Growth %                                 | 28%      | 9%       | 63%      | 1%        | -11%      |
| Profit before Interest, Depreciation and Tax. (EBDIT) | 2,00,554 | 2,00,530 | 2,88,321 | 3,98,772  | 2,69,669  |
| EBDIT to Sales %                                      | 40%      | 36%      | 32%      | 44%       | 34%       |
| EBDIT Growth  | 47%      | 0.0%     | 43.8%    | 38.3%     | -32%      |
| Finance Charges                                       | 350      | 606      | 69       | 65        | 52        |
| Depreciation  | 16,881   | 18,595   | 25,465   | 31,055    | 34,207    |
| Profit before tax (PBT)                               | 1,83,323 | 1,81,329 | 2,62,787 | 3,67,652  | 2,35,410  |
| PBT Growth %  | 50%      | -1%      | 45%      | 40%       | -36%      |
| Provision for Taxation                                | 50,058   | 44,058   | 67,315   | 72,798    | 54,595    |
| Profit After Tax (PAT)                                | 1,33,265 | 1,37,271 | 1,95,472 | 2,94,854  | 1,80,815  |
| <b>Dividend, Share Capital and Capital Employed</b>   |          |          |          |           |           |
| Dividend  | 800%     | 800%     | 1000%    | 1500%     | 1,500%    |
| Dividend payout                                       | 51,206   | 51,206   | 53,094   | 79,641    | 79,641    |
| Dividend payout (%)                                   | 38%      | 37%      | 27%      | 27%       | 44%       |
| Equity Share Capital                                  | 5,309    | 5,309    | 5,309    | 5,309     | 5,309     |
| Reserves & Surplus                                    | 6,92,022 | 7,26,360 | 9,21,848 | 11,63,826 | 12,65,233 |
| Net Worth   | 69,73,31 | 73,16,69 | 92,71,57 | 11,69,135 | 12,70,542 |
| Net Worth growth %                                    | 17%      | 5%       | 27%      | 26%       | 9%        |
| Gross Fixed Assets                                    | 3,25,422 | 4,10,907 | 5,15,147 | 6,10,110  | 6,83,226  |
| Net Fixed Assets                                      | 2,08,742 | 2,77,626 | 3,69,901 | 4,32,097  | 4,71,876  |
| <b>Key Financial Indicators</b>                       |          |          |          |           |           |
| Earnings per share (face value of ₹2/-each)           | 50.20    | 51.71    | 73.63    | 111.07    | 68.11     |
| Cash Earnings Per Share (face value of ₹2/-each)      | 56.56    | 58.71    | 83.23    | 122.77    | 81.00     |
| Gross Turnover Per share (face value of ₹2/-each)     | 190      | 207      | 337      | 339       | 300       |
| Book Value per share (face value of ₹2/-each)         | 263      | 276      | 349      | 440       | 479       |
| EBDIT / Gross Turnover %                              | 40%      | 36%      | 32%      | 44%       | 34%       |
| Net Profit Margin %                                   | 26%      | 25%      | 22%      | 33%       | 23%       |
| RONW %  | 19.11%   | 18.76%   | 21.08%   | 25.22%    | 14.23%    |



Business Model

# Stakeholder-centric approach to sustainable value creation

Our business model is centred around creating sustainable value for all stakeholders, driving responsible growth through our strategic approach, and social and environmental stewardship. We firmly believe that this approach is integral to achieving long-term success in today's ever-evolving business landscape.

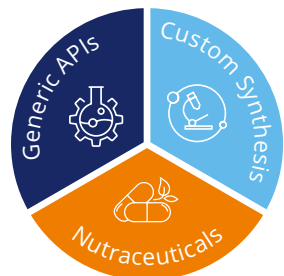
OPERATING CONTEXT

RESOURCES UTILISED

- FINANCIAL RESOURCES**  
Capital investment for infrastructure, research and development (R&D), as well as an operational budget allocated for manufacturing, supply and regulatory compliance
- MANUFACTURED CAPITAL**  
Utilising state-of-the-art manufacturing facilities and quality control laboratories to ensure reliable production and maintain uniform quality
- INTANGIBLE ASSETS**  
Harnessing intellectual property, patents, proprietary technology for API synthesis, regulatory approvals, certification, and a skilled workforce to drive innovation and ensure high quality
- STRONG TEAM**  
A skilled workforce, experienced management with industry expertise, and a strong R&D team collectively working towards the Company's vision
- RELATIONSHIPS WE BENEFIT FROM**  
Benefitting from strategic partnerships with customers and long-term contracts with suppliers. Driving responsible growth by engaging with society and communities
- NATURAL RESOURCES**  
Prioritising sustainable sourcing, environmental compliance, and efficient resource utilisation for responsible and eco-friendly operations

BUSINESS ACTIVITIES

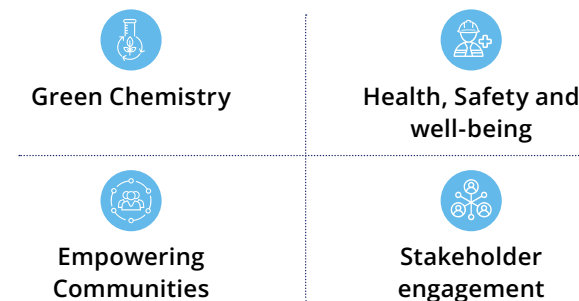
Our activities encompass the entire value chain, from research and development to commercial production, ensuring the highest quality standards and regulatory compliance



RESOURCES WE DEPLOY

- Significant capacity creation
- Continuous process innovation
- Investments in Safety and GMP training
- Implementing Green Chemistry principles
- Enabling new technologies

FOCUSING ON A SUSTAINABLE TOMORROW



VALUE CREATED FOR STAKEHOLDERS

CUSTOMERS AND PARTNERS

- High-quality APIs, intermediates, and nutraceuticals, meeting specific requirements of customers and partners
- Contract manufacturing offering customised solutions

SHAREHOLDER VALUE CREATION

- Disciplined approach to capital allocation that enhances sustainable growth
- Strong corporate governance practices ingrained in our operations, fostering shareholder confidence

SKILLED AND EFFICIENT WORKFORCE

- Providing rewarding career opportunities and a supportive work environment
- Offering several training programmes to enhance skill and nurture talent

SUSTAINABLE ENVIRONMENTAL AND COMMUNITIES

- Operating with a commitment to environmental sustainability and minimising the ecological footprint
- Contributing to community wellbeing and development

OUTCOMES

**160+**  
PRODUCTS ACROSS DIVERSE THERAPEUTIC AREAS

**₹7,97,431 lakhs**  
INCOME

**₹2,69,669 lakhs**  
EBDIT

**~31 million**  
SAFE MAN-HOURS

**81%**  
EMPLOYEE RETENTION RATE

**~120%**  
INCREASE IN WATER RECYCLING & REUSE CAPABILITY

**~8,60,000**  
CSR BENEFICIARIES

**~1,58,71,000 KWH**  
ENERGY CONSERVED

GOVERNANCE



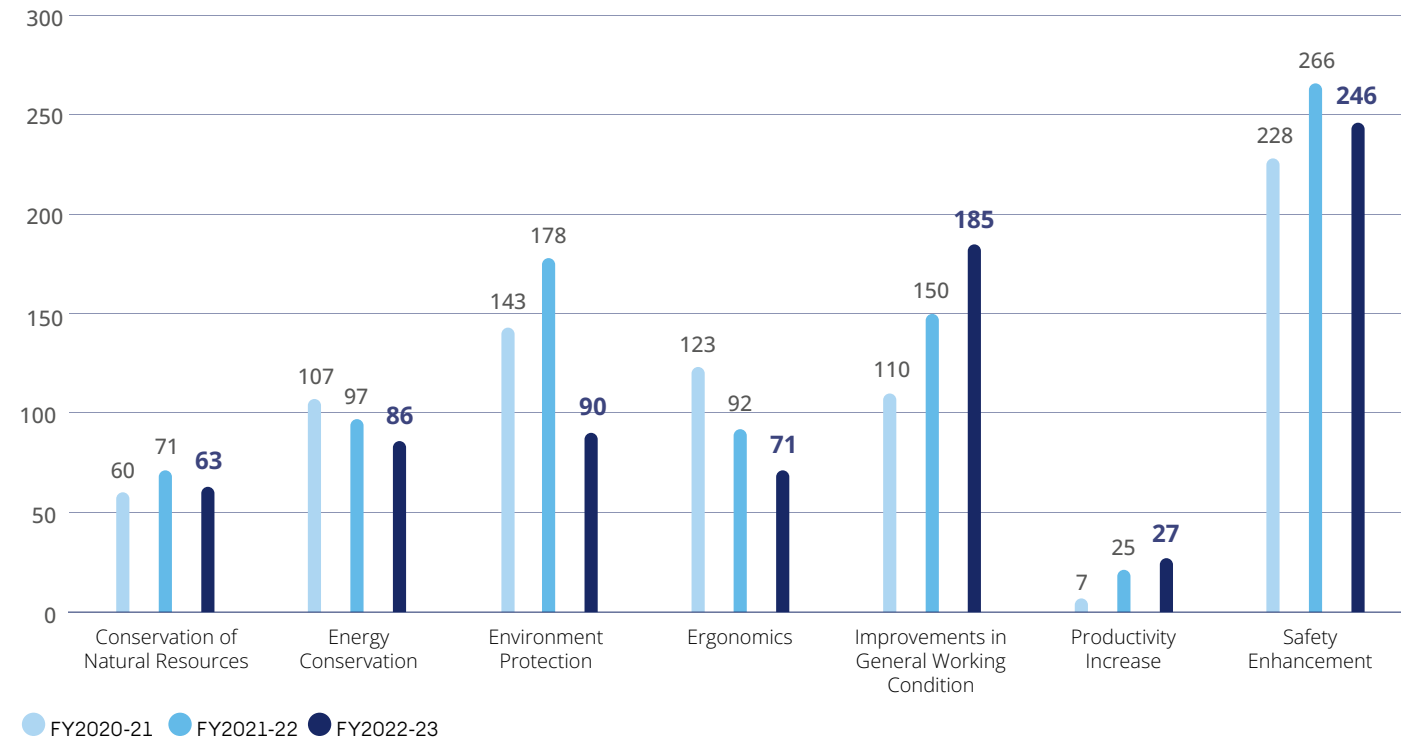
Environment

# Striding towards a greener future

At Divi's, we recognise the importance of protecting our planet and preserving its natural resources for future generations. Our commitment towards sustainability is demonstrated through our efforts in reducing our carbon footprint, conserving energy and water, and efficiently managing our waste.

To achieve continual improvement of EHS Management Systems and meet the objectives, our initiatives are accounted under 7 categories and each category has been linked with UNSDGs (Sustainable Development Goals).

## CATEGORISATION OF INITIATIVES COMPLETED



## SDGs IMPACTED



## OUR SUSTAINABILITY GOALS - 2030



### Carbon Footprint

- Reduce absolute-based GHG (Scope-1 & Scope-2) emission by 5%.
- Reduce intensity-based GHG (Scope-1 & Scope-2) emission by 25%.



### Energy Conservation

- Decrease intensity-based energy consumption by 25%.
- Rely on renewable energy sources to the extent possible, where applicable.



### Water Conservation

- Reduce ground water & surface water intake by 30%.
- Reduce water consumption by 25%.
- Reduce intensity-based water consumption by 25%.



### Waste Management

- Reduce intensity-based waste disposal by 25%.
- Reduce plastic waste by minimising usage in packing.

## GREEN BELT DEVELOPMENT

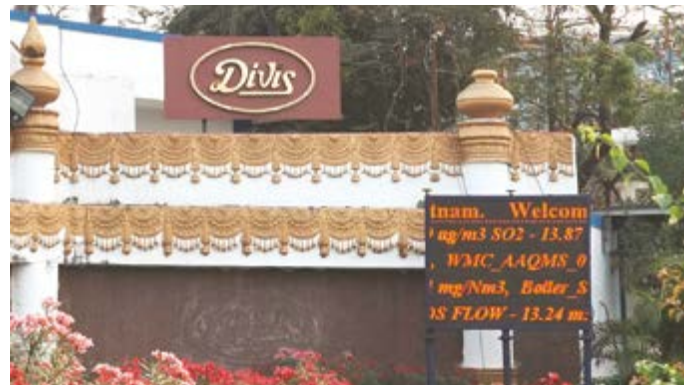
Our green belt development initiative is aimed at encouraging afforestation and increasing the green cover in and around our facilities through Miyawaki and Avenue plantation technique.

**~77,400 MT**  
CARBON SEQUESTRATION





Environment



Air monitoring systems in our manufacturing units



Installed packaged pressure powered pump unit (PPPPU)



Off-the-ground effluent treatment plant



Solvent recovery system

**REDUCING CARBON FOOTPRINT**

We are committed to reducing our carbon footprint and minimising our impact on the environment. To achieve this, we have undertaken various initiatives aimed at reducing our greenhouse gas emissions and energy consumption.

- Recovering and re-using heat energy from flash steam and letting out to atmospheres. This initiative aided us in reducing ~7,300 tCO<sub>2</sub>e.
- Installing Oxygen (O<sub>2</sub>) analysers for process vessels to monitor and maintain inert atmospheres in critical process operations benefited us in reducing ~360 tCO<sub>2</sub>e.
- Replaced radiator type heat exchanger of process air pre-cooler with plate-heat exchanger, this initiative aided us in reducing ~550 tCO<sub>2</sub>e.

**ENERGY MANAGEMENT**

Our focus on energy management has resulted in significant energy conservation through initiatives such as:

- ~69,50,000 KWH of energy was conserved by recovering and re-using steam released to atmosphere.
- Arranging pH meter at processing area, resulted in reduced process time cycles which in-turn reduced ~3,48,000 KWH of energy.
- Arranging O<sub>2</sub> analysers for process vessels, benefited us in reducing the nitrogen demand for equipment inertisation which in-turn benefited us in conserving ~2,46,000 KWH of energy.

**WATER MANAGEMENT**

We believe in responsible water management and have implemented several initiatives to reduce our water usage and improve efficiency. Our water management efforts include:

- By purifying and utilising final wash water for cooling towers, ~14,800 m<sup>3</sup> of Raw Water demand was reduced.
- ~7,800 m<sup>3</sup> of rainwater was harvested by facilitating rainwater harvesting pits around our non-process facilities within the factory premises.
- ~1,200 m<sup>3</sup> of water was conserved by replacing wet ice used for reaction mass quenching with brine cooled chilled water.

**WASTE MANAGEMENT**

As part of our commitment to sustainable manufacturing, we prioritise waste reduction and recycling. Our waste management initiatives include:

- Reusing of final wash/rinse water for initial wash/rinse in process steps.
- Implementing process improvements through GCPs aided in improving recovery and reuse potential.
- Recycling of plastic containers, liners, metal containers and metal scrap.
- Established solvent recovery stations to recover and reuse solvents.
- Solid residues from process, sent by Divi's is reused as fuel (Co-Incineration) in cement industries.

**~15,500 tCO<sub>2</sub>e**

GHG EMISSIONS

**~1,58,71,000 KWH**

ENERGY CONSERVATION

**~39,000 m<sup>3</sup>**

WATER CONSERVATION

**~49,830 MT**

HAZARDOUS WASTE CO-PROCESSED



**Ecovadis Silver**

Received a Silver rating by Ecovadis, in recognition of our sustainability efforts and for integrating ESG into our daily operation.



**Divis Unit 2** - Prashansa Patra during NSCI Awards for its exceptional performance in Occupational Safety and Health.

**Divis Unit 1** - Suraksha Puraskar during NSCI Awards for exceptional performance in Occupational Safety and Health.

**Best Management Award** for Outstanding Contribution towards Industrial Relations and Labour Welfare by Govt. of Telangana.



Social – People

# Fostering a purpose-driven culture

In today's dynamic workforce, employees seek more than just job titles, pay, and benefits. They want to be associated with organisations that share their vision and mission. By establishing a purpose-driven workplace, we have not only achieved high retention rate but also fostered a sense of loyalty among our employees.

At Divi's, we have been committed to sustainable chemistry for over three decades. Our focus on optimising processes and practices to protect and enhance human health and the environment has enabled us to create a meaningful connection with our employees.

**16,950+**

TOTAL EMPLOYEES

**~9.9%**

FEMALE EMPLOYEES



## INCLUSIVE AND UNBIASED HIRING

At Divi's, we believe in a fair and standardised selection process that eliminates cognitive and unconscious bias in candidate evaluation. We use competencies as the basis for assessment and recruit from diverse stakeholder groups, including people with disabilities and experienced retirees. Our workforce consists of employees with varying age, gender and experience, ensuring a healthy diversity ratio.

**31.7 years**

AVERAGE AGE OF EMPLOYEES

## Supporting Women Employees

We support our women employees with inclusive policies and procedures during their parental leave. Our departmental heads ensure their safety during pregnancy, and we provide a gradual return-to-work plan to avoid overburdening them. For the past two years, return-to-work rate and retention rate post parental leave were 100% and over 80% respectively, exceeding the industry average.

## Ensuring Work-Life Balance

At Divi's, we prioritise our employees' work-life balance by ensuring that work does not extend beyond office hours. We believe that this helps our employees maintain a healthy mindset and quality social/family life.

Our line managers are trained to ensure that employees can prioritise tasks based on their importance, and we conduct efficient workforce planning at the beginning of each year to avoid overburdening employees. We strongly believe in our employees' potential as advocates of our culture, which is reflected in their high satisfaction levels and the fact that most of our hiring is through employee referrals.

### Outcomes

- High employee satisfaction levels
- Efficient workforce planning
- Positive work environment





## Social – People

### INVESTING IN PEOPLE FOR LONG-TERM SUCCESS

At Divi's, we understand that attracting and retaining top talent is critical to our success. As one of the largest API companies in the world, we strive to maintain the highest standards of quality by investing in building a strong team through compensation and comprehensive professional development benefits.

#### Providing Competitive Compensation

We have adopted a 'Lead the Market' compensation strategy and ensure that we pay more than just minimum wages to our employees. Our strategy is designed to positively impact employee commitment, contribution, and continuity. We offer competitive compensation packages that recognise and reward employees for the value they bring to the company. This includes handsome annual increments that are competitive and appropriate to the markets we compete in and are linked to both past performance and future potential.

#### Comprehensive Benefits

We also provide health and insurance benefits to ensure the well-being of our employees and their families. Our commitment to employee growth includes offering a well-planned career path for personal and professional development. We believe that rewarding loyalty & performance and supporting the needs of employees and families is critical to maintaining a motivated and productive workforce.

#### Internal Parity

At Divi's, we ensure internal parity by classifying similar jobs into levels based on the role/contribution to achieving the organisation's key objectives. This ensures that employees are paid fairly and equitably based on their job responsibilities and the value they bring to the company.

#### Outcomes

- Improved employee commitment, contribution and continuity
- Lower turnover rate for mid and senior level employees
- Positive culture and reputation

### LEARNING AND DEVELOPMENT

Our people-first culture recognises all potential employees and provides them with employee training and development. We believe in the potential of every employee, which is why we provide personalised and up-to-date training programmes to equip them with the necessary skills to reach their peak performance levels.

#### Customised Development Opportunities

We offer customised development opportunities tailored to the functional needs of our employees. These opportunities include in-house skill enhancement programmes and externally supported skill upgradation programmes. In addition, we require all employees to participate in mandatory cGMP, environment, health and safety (EHS) training programmes.

~1,300

TRAINING PROGRAMMES CONDUCTED, IN ADDITION TO ON-THE-JOB TRAININGS

#### Essential Certification Programmes

To keep our employees up to date with the latest regulatory guidelines and manufacturing practices, we offer certification programmes that enable them to gain the required expertise and implement it in the workplace. These programmes come at no cost to the employee. More than 100% of staff and workmen are covered through our cGMP and Data Integrity, Health and Safety, Code of Ethics and Business Conduct, and EMS training programmes.

100%

OF STAFF AND WORKMEN COVERED THROUGH cGMP, DATA INTEGRITY, HEALTH AND SAFETY, CODE OF ETHICS AND EMS TRAINING PROGRAMMES



### Collaborative Ed-Tech Partnership

Our collaboration with an international Ed-Tech company provides our employees with access to around 7,000 programmes of instructor-led and self-paced training. These programmes span technical training to professional skills, which employees can access on-demand from anywhere. Digital badges are also provided to motivate and reward learners, serving as visual and portable records of accomplishment.

ACCESS TO

~7,000

INSTRUCTOR-LED AND SELF-PACED TRAINING PROGRAMMES

### Employee Engagement and Retention

We foster employee development through exploration and on-the-job training programmes to help them reach their highest potential. Each department has a standard set of operating procedures for regular training of both new and experienced employees. Seniors train identified subordinates to handle various challenges that may arise.

~81%

EMPLOYEE RETENTION RATE

### CREATING A SAFE AND HEALTHY WORK ENVIRONMENT

Safety and well-being of our employees is a top priority at Divi's. Our commitment to creating a healthy work environment is reflected in our ISO 14001 compliant Environmental Management System and ISO 45001 compliant Occupational Health and Safety Management System. We provide ergonomic workplaces and resources to promote the physical and mental well-being of our employees.

#### Safety First Approach

Our safety team conducts regular risk assessments to identify potential safety hazards and ways to avoid them in the manufacturing process. We train all employees, including contract workers, on safety protocols and the use of personal protective equipment. Incidents of protocol lapses are addressed, and employees are made aware of the consequences.

~88,000

EHS TRAINING SESSIONS COVERING ~8,90,000 PARTICIPANTS

~31 million

SAFE MAN-HOURS DURING FY 2023

0.40

LTI FREQUENCY RATE

0.05

LTI SEVERITY RATE



Safety mock drills at our manufacturing unit



United by Purpose

# Employee-Driven Voluntary Social Engagement

We believe that it is our shared responsibility to come together and inspire positive change. Driven by Divi's commitment to serving local communities, our exceptional teams actively participate in various voluntary activities that promote social welfare.

## OUR ENGAGEMENT OVER THE YEARS

- Plantation drives
- Blood donation
- Beach clean-ups
- Awareness walks



**1,200+**

PARTICIPANTS TO INCREASE SPREADING AWARENESS ON AUTISM

**~1,800**

EMPLOYEES DONATED BLOOD ACROSS OUR MANUFACTURING FACILITIES

**~600 Its**

OF BLOOD DONATED DURING THE YEAR FY2023





Social - Community

# Impacting lives through responsible efforts

As a responsible corporate citizen, we strive to make a meaningful difference in the lives of communities around us and create a positive impact on society. Our CSR initiatives are designed to address the key issues faced by these communities and empower them through our key CSR thrust areas.

**~8,60,000**

CSR BENEFICIARIES DURING FY 2023

**₹5,385 lakhs**

CSR BUDGET DURING FY 2023

## OUR CSR THRUST AREAS



Safe Drinking Water



Child Empowerment



Community Development

- Preventive Healthcare
- Village Development
- Animal Welfare



People Empowerment

- Women Empowerment
- Supporting Differently-abled



Environmental Sustainability





Social - Community



**SAFE DRINKING WATER**

**Project Sujalam**  
Safe Water, Strong Communities!

Project Sujalam is our flagship CSR initiative that aims to provide safe drinking water to communities around our manufacturing facilities. This project has been successful in addressing the acute water shortage and groundwater contamination in the surrounding villages.

**Impacting lives through equitable access to clean water**

In 1994, when we set up our first manufacturing unit, our founder realised that the local communities lacked access to safe drinking water. With an aim to make a positive impact, Divi's initiated a primary CSR activity to meet the insufficient demands of clean water through Project Sujalam.

This project focuses on Reverse Osmosis (RO) technology for water purification and has been effective in removing excess fluoride and other impurities from water, making it safe for consumption. With the concept of the Any Time Water technology, access to safe drinking water is now possible 24/7 through a system of prepaid cards. The project has empowered village communities to take ownership of the water purification systems, leading to a visible health impact within just two months of installation. The low cost of upkeep ensures the sustainability of the project.

We installed adequate safe drinking RO water plants in villages, temples, colleges, and schools. As a result, this initiative has made clean drinking water more accessible to many people in Telangana and Andhra Pradesh.

**Way Forward**

Project Sujalam and Jalaprasadam have made a tangible impact in improving the lives of people and transformed their access to water. Divi's continues to be committed to this mission and looks forward to expanding this project to more communities in the future.

**~2,31,000**

BENEFICIARIES ACROSS 91 LOCATIONS



**Impact story**

**PROJECT JALAPRASADAM: A TALE OF CLEAN WATER AND SACRED BOND**

Driven by our purpose of providing safe drinking water, we diligently installed state-of-the-art water purification plants at various temples around our manufacturing units. These temples stood for their ancient traditions and spiritual significance. Devotees from far and wide would visit these temples seeking solace, guidance, and a connection to the divine. However, a pressing concern troubled the temple authorities: the lack of clean drinking water for the weary pilgrims.

Divi's recognised that providing pure drinking water was not just a necessity, but a duty imbued with the essence of compassion and service. With careful planning and unwavering dedication, we set up RO purification plants at temples, ensuring that every visitor could partake in the divine experience with a sense of purity and well-being. Our efforts did not end with the installation of the purification plants as we also took on the responsibility of training temple

staff in proper maintenance and monitoring to ensure the continued operation and efficiency of the RO systems.

We believe that our efforts not only quenched the physical thirst of the people but also nurtured a sense of solidarity and shared responsibility within the community to ensure the sustenance of this precious resource. We hope that our journey shall serve as a reminder that even the simplest act of kindness, when performed with unwavering dedication and love, have the power to transform lives and bring about meaningful change.

**~1,57,000**

BENEFICIARIES ACROSS 8 TEMPLES, EACH DAY



Social - Community



**CHILD EMPOWERMENT**

**Empowering Tomorrow's Citizens**

We believe that children are the future of the nation, and it is essential to empower them to become healthy and responsible citizens. We understand that providing a safe environment and access to education is crucial in shaping the future of the country. Therefore, Divi's is committed to supporting education initiatives that promote sustainable growth for the children of today and the leaders of tomorrow.

**Impact**

During FY 2023, we supported more than 300 schools in Telangana and Andhra Pradesh through infrastructure development.

We undertook various initiatives such as constructing new classrooms and providing desks, benches, notebooks, school bags, shoes, and stationery, to improve the learning environment.



**~84,000**

STUDENTS BENEFITTED ACROSS 827 SCHOOLS IN AP AND TELANGANA OVER THE YEARS

**Way Forward**

We also set up playgrounds at the SVLNS Govt Degree College Bheemili and provided scholarships to deserving students.

We are committed to continuing our efforts to support education and empower children to become responsible citizens. We will continue to expand our educational initiatives to more schools, benefiting more students and providing them with the necessary resources to achieve their goals.



**Clean Water for Bright Futures**

We embarked on a project to distribute RO plants at schools in 2010, ensuring access to safe and healthy drinking water for students at Government schools. The project encompassed various stages, including careful planning, meticulous execution, and sustained support. Our goal was to address the pressing issue of limited access to clean drinking water in schools, particularly around our manufacturing units.

**Impact**

RO PLANTS INSTALLED IN

**600 Schools**

DURING FY 2023

**Way Forward**

We remain committed to expanding our efforts and reaching more schools in need. We will continue to assess the impact of our CSR initiative, and explore opportunities to improve the health and well-being of thousands of students, minimising the risk of waterborne illnesses.

**~60,000 Students**

BENEFICIARIES



**Empowering lifelong learning - KG to PG**

We believe in the transformative power of education and as a part of our ongoing commitment to child empowerment, we undertook a significant CSR initiative, aimed at the development of Siricilla school, spanning from kindergarten to post graduation.

**Impact**

**~3,500 Students**

BENEFICIARIES

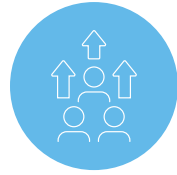
**Way Forward**

Through our CSR initiative for the development of Siricilla School, we have witnessed a remarkable transformation. We will continue to monitor the impact of our initiatives, collaborate with more schools, and seek innovative ways to further improve the educational ecosystem at the school.





Social - Community



**COMMUNITY DEVELOPMENT**

**Empowering Communities for Sustainable Development**

Our community development initiatives are centred around three key focus areas: preventive healthcare, village development and animal welfare. Through these initiatives, we aim to make a positive impact on the lives of people and animals in the communities we serve. Our efforts have already benefited thousands of individuals and we remain committed to continuing our work towards creating sustainable and prosperous communities.

**Preventive Healthcare**  
Commitment to Ensuring Healthy Communities

Divi's prioritises preventive healthcare and spreading awareness about diseases and their prevention. Through our healthcare programmes and awareness campaigns, we aim to establish a disease-free community.

**~1,74,000**

BENEFICIARIES ACROSS 55 VILLAGES

**Impact**

During FY 2023, we conducted health check-ups and eye check-up camps, benefiting thousands of people in ten different villages.

**Way Forward**

We will continue to focus on preventive healthcare, organising health check-ups, vaccinations, and spreading awareness about diseases.



**Village Development**  
Strengthening Rural India

Divi's believes in the potential of rural India as the backbone of our nation's economy and culture. We have been working towards the holistic development of rural infrastructure since the nineties.

**~1,03,000**

BENEFICIARIES ACROSS 44 VILLAGES

**Impact**

Our efforts have improved the quality of life in villages by developing roads, sanitation facilities, streetlights, toilets, cemeteries, water tanks, parks, and gram panchayat buildings. During FY 2023, we supported grama panchayats in enhancing the roads and infrastructure of five villages by building canals and underground drains.

**Way Forward**

We will continue to complement the government's efforts towards rural development by building sustainable infrastructure and empowering local communities.



**Animal Welfare**  
Ensuring a Compassionate World for Animals

Divi's focuses on ensuring the welfare of animals, including shelter, nutrition, and treatment, and enhancing income generation opportunities for local women who depend on livestock for a livelihood.

**~95,000**

BENEFICIARIES ACROSS 44 VILLAGES

**Impact**

We set up veterinary camps, animal wellness camps, and strengthened veterinary hospitals in mandal headquarters.

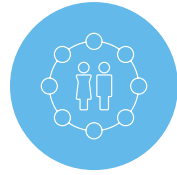
**Way Forward**

Divi's will continue to provide support to veterinary dispensaries, set up dairy development and cattle feed camps, and encourage the participation of women folk in driving the importance of dairy farming as a sustainable economic activity.





Social - Community



**PEOPLE EMPOWERMENT**

**Creating an Inclusive Society for Sustainable Development**

Divi's believes in the power of people, and to this end, we are committed to empowering women and supporting differently abled individuals through various initiatives. Our people empowerment initiatives aim to create a more inclusive society where everyone has equal opportunities to succeed and contribute to the development of our society.

**Women Empowerment**

**Creating Self-Employment Opportunities for Women**

We believe that empowering women through skill development and self-employment opportunities are key to eliminating poverty and contributing to our society's economic growth. Our Mahila Bhavans and training programmes have provided women with the necessary equipment and training to succeed in various fields.

**~1,000**

BENEFICIARIES ACROSS 33 VILLAGES

**Impact**

During FY 2023, we helped women gain skills and become financially independent by providing training to succeed in various fields such as tailoring, bookbinding, embroidery, and beauty-related courses.

**Way Forward**

We will continue to encourage and support women's livelihood programmes and provide skill development facilities. Our aim is to empower more women to become financially independent and contribute to our society's economic growth.



**Supporting Differently Abled Individuals For Creating a More Inclusive Society**

We are committed to supporting differently abled individuals and creating a better place for them to live and aspire for a better tomorrow by providing them with the facilities they need to live independently and achieve their goals.

**Impact**

During FY 2023, we distributed laptops to visually challenged children and built hostels with better infrastructure.

**Way Forward**

We will continue to support differently abled individuals and create facilities that cater to their needs. Our goal is to create a more inclusive society where everyone has equal opportunities to succeed and lead fulfilling lives.

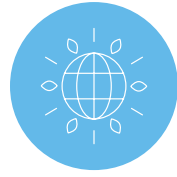
**~300**

BENEFICIARIES





Social- Community



**ENVIRONMENTAL SUSTAINABILITY**

Divi's Laboratories believes in the importance of promoting human well-being and environmental health. As part of our commitment to sustainability, we have implemented various initiatives to support ecological balance both within and outside our manufacturing units.

**~60,000**

SAPLINGS PLANTED

**Impact**

During the year, we planted ~60,000 saplings around a village in Visakhapatnam to increase the green cover in the area and promote ecological balance.

This will have a significant positive impact on the local environment. The increased green cover will aid in the absorption of carbon dioxide and various pollutants, leading to air purification and the sustenance of the ecosystem.

**Way Forward**

Moreover, it will create a conducive habitat for wildlife, improve soil quality, and prevent soil erosion.

Going forward, we will continue to implement initiatives to promote ecological balance and support the environment to foster a more sustainable future for all.



**Impact story**

**CONTRIBUTING TO A MORE SUSTAINABLE FUTURE THROUGH MIYAWAKI TECHNIQUE**

Developed Yadadri model natural forest in 10 villages



**10**

VILLAGES



**~30,000**

SAPLINGS



**~1,21,000**

PEOPLE CAN HAVE ABUNDANT OXYGEN, RELEASED BY THESE PLANTS

Distributed Ganesh idols

**~10,000**

BENEFICIARIES

Developed Kambalakonda forest

**~20,000**

BENEFICIARIES



## Business Responsibility & Sustainability Report (BRSR)

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

|  |   |
|--|---|
| 1. Corporate Identity Number (CIN) of the Company  | L24110TG1990PLC011854   |
| 2. Name of the Listed Entity   | Divi's Laboratories Limited   |
| 3. Year of incorporation   | 1990  |
| 4. Registered office address   | Divi Towers, 1-72/23(P)/DIVIS/303, Cyber Hills, Gachibowli, Hyderabad – 500 032, Telangana, India |
| 5. Corporate address   | Divi Towers, 1-72/23(P)/DIVIS/303, Cyber Hills, Gachibowli, Hyderabad – 500 032, Telangana, India |
| 6. E-mail  | mail@divislabs.com  |
| 7. Telephone   | +91 40-66966300   |
| 8. Website   | www.divislabs.com   |
| 9. Financial year for which reporting is being done  | April 1, 2022 to March 31, 2023   |
| 10. Name of the Stock Exchange(s) where shares are listed  | National Stock Exchange of India Limited (NSE), and BSE Limited (BSE)                             |
| 11. Paid-up Capital  | ₹ 53,09,37,160/-  |
| 12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report   | M. Satish Choudhury<br>Company Secretary<br>cs@divislabs.com<br>040-66966352                      |
| 13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | The disclosure under this BRSR is on standalone basis unless otherwise stated.                    |

#### II. Products/services

##### 14. Details of business activities (accounting for 90% of the turnover):

| S. No | Description of Main Activity   | Description of Business Activity   | % of Turnover of the entity |
|-------|--|--|-----------------------------|
| 1.    | Manufacture of Active pharma ingredients, intermediates and nutraceuticals | Manufacture of Active pharma ingredients, intermediates and nutraceuticals | 100%                        |

##### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S.No | Product/ Service   | NIC Code | % of total Turnover contributed |
|------|--|----------|---------------------------------|
| 1.   | Manufacture of Active pharma ingredients, intermediates, custom pharmaceutical services and nutraceuticals | 21009    | 100%                            |

#### III. Operations

##### 16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 3*               | 1                 | 4     |
| International | 0                | 2                 | 2     |

\*The plants include the Company's manufacturing locations and R&D centres.

##### 17. Markets served by the entity:

###### a. Number of locations

| Locations                        | Number    |
|----------------------------------|-----------|
| National (No. of States)         | Pan India |
| International (No. of Countries) | 86        |

b. What is the contribution of exports as a percentage of the total turnover of the entity?  
88%

c. A brief on types of customers

Our customers include various pharmaceutical and nutraceutical companies across the globe.

#### IV. Employees

##### 18. Details as at the end of Financial Year:

###### a. Employees and workers (including differently abled):

| S. No.           | Particulars              | Total (A) | Male    |         | Female  |         |
|------------------|--------------------------|-----------|---------|---------|---------|---------|
|                  |                          |           | No. (B) | % (B/A) | No. (C) | % (C/A) |
| <b>Employees</b> |                          |           |         |         |         |         |
| 1.               | Permanent (D)            | 8,375     | 7,223   | 86.24   | 1,152   | 13.76   |
| 2.               | Other than Permanent (E) | 2,290     | 1,767   | 77.16   | 523     | 22.84   |
| 3.               | Total employees (D + E)  | 10,665    | 8,990   | 84.29   | 1,675   | 15.71   |
| <b>Workers</b>   |                          |           |         |         |         |         |
| 4.               | Permanent (F)            | 58        | 58      | 100.00  | 0       | 0.00    |
| 5.               | Other than Permanent (G) | 6,188     | 6,183   | 99.92   | 5       | 0.08    |
| 6.               | Total workers (F + G)    | 6,246     | 6,241   | 99.92   | 5       | 0.08    |

###### b. Differently abled Employees and workers:

| S. No.                             | Particulars                               | Total (A) | Male    |         | Female  |         |
|------------------------------------|---|-----------|---------|---------|---------|---------|
|                                    |   |           | No. (B) | % (B/A) | No. (C) | % (C/A) |
| <b>Differently abled Employees</b> |   |           |         |         |         |         |
| 1.                                 | Permanent (D)                             | 19        | 18      | 94.74   | 1       | 5.26    |
| 2.                                 | Other than Permanent (E)                  | 0         | 0       | 0       | 0       | 0       |
| 3.                                 | Total differently abled employees (D + E) | 19        | 18      | 94.74   | 1       | 5.26    |
| <b>Differently abled workers</b>   |   |           |         |         |         |         |
| 4.                                 | Permanent (F)                             | 0         | 0       | 0       | 0       | 0       |
| 5.                                 | Other than Permanent (G)                  | 12        | 12      | 100     | 0       | 0       |
| 6.                                 | Total differently abled workers (F + G)   | 12        | 12      | 100     | 0       | 0       |

##### 19. Participation/Inclusion/Representation of women:

|                           | Total (A) | No. and percentage of Females |         |
|---------------------------|-----------|-------------------------------|---------|
|                           |           | No. (B)                       | % (B/A) |
| Board of Directors        | 12        | 2                             | 17%     |
| Key Management Personnel* | 7         | 1                             | 14%     |

\* Including Executive Directors

##### 20. Turnover rate for permanent employees and workers:

|                     | FY 2022-23 |        |        | FY 2021-22 |        |        | FY 2020-21 |        |        |
|---------------------|------------|--------|--------|------------|--------|--------|------------|--------|--------|
|                     | Male       | Female | Total  | Male       | Female | Total  | Male       | Female | Total  |
| Permanent Employees | 17.69%     | 23.70% | 18.52% | 15.72%     | 27.90% | 17.39% | 12.60%     | 17.69% | 13.26% |
| Permanent Workers   | 1.72%      | 0      | 1.72%  | 0          | 0      | 0      | 0          | 0      | 0      |

#### V. Holding, Subsidiary and Associate Companies (including joint ventures)

##### 21. (a) Names of holding/subsidiary/associate companies/joint ventures:

| S. No. | Name of the holding/ subsidiary/ associate companies/ joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|--|--|-----------------------------------|--|
| 1      | Divi's Laboratories (USA) Inc., New Jersey, USA.                         | Subsidiary   | 100%                              | No   |
| 2      | Divi's Laboratories Europe AG, Basel, Switzerland                        | Subsidiary   | 100%                              | No   |



**VI. CSR Details**

- 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- (ii) Turnover (in ₹): ₹7,97,431 lakhs
- (iii) Net worth (in ₹): ₹12,70,542 lakhs

**VII. Transparency and Disclosures Compliances**

- 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2022-23                                 |  |         | FY 2021-22                                 |  |                       |
|---|--|--|--|---------|--|--|-----------------------|
|   |  | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks               |
| Communities                                       | Yes*   | 0  | 0  | -       | 0  | 0  | -                     |
| Investors (other than shareholders)               | NA   | -  | -  | -       | -  | -  | -                     |
| Shareholders                                      | Yes*   | 59   | 0  | -       | 22   | 0  | -                     |
| Employees and workers                             | Yes*   | 0  | 0  | -       | 0  | 0  | -                     |
| Customers   | Yes*   | 37   | 5  | #       | 37   | 6  | Resolved subsequently |
| Value Chain Partners                              | Yes*   | 0  | 0  | -       | 0  | 0  | -                     |
| Other (please specify)                            | Yes*   | -  | -  | -       | -  | -  | -                     |

\* Various policies of the Company for redressing the grievances of its stakeholders are available at <https://www.divislabs.com/investor-relations/>. In addition there are internal policies placed on intranet of the Company.

# One complaint has been resolved and investigations are in progress for 4 complaints.

- 24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

| S. No. | Material issue identified      | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity  | In case of risk, approach to adapt or mitigate  | Financial implications of the risk opportunity (Indicate positive or negative implications) |
|--------|--------------------------------|--|--|---|---|
| 1      | Occupational Health and Safety | R  | In pharmaceutical manufacturing, health and safety management systems have to be inherent for uninterrupted safe operations. | Health and Safety management systems and procedures are in place in line with the applicable laws enacted in India like Factories Act, Explosives Act, etc., as well as applicable international standards like ISO. These systems/procedures are reviewed and audited periodically. Processes are in place for incident reviews leading to corrective and preventive action. | Occupational health & safety incidents can have negative financial implications.            |
| 2      | Environment Management         | R  | The Company's operations may result in risk to environment.  | Environmental risks and impacts are managed through established environment management practices. The practices include conducting risk assessments, periodic review mechanisms and continuous strengthening practices and mitigation plans, using reviews and corrective and preventive actions.   | Environmental risks may result in negative financial implications.                          |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity  | In case of risk, approach to adapt or mitigate   | Financial implications of the risk opportunity (Indicate positive or negative implications)  |
|--------|---------------------------|--|--|--|--|
| 3      | Water management          | R  | Water management is crucial for the Company's operations.  | We are managing risks associated with water management through implementation and strengthening of water recycle and reuse programs, installation of RO plants to treat water to reuse, water conservation programs (rainwater harvesting, collecting steam condensate, etc), and by installation of desalination plants to utilise seawater for selected operations.  | Water management risks may result in negative financial implications.  |
| 4      | Community care            | O  | The Company believes in sustainable development and serves the vulnerable population around its manufacturing operations through its CSR activities. |  | Positive: The Company helps the communities with CSR activities in the area of health, education, drinking water, women empowerment, green initiatives, support to differently abled, rural development, Skill development, etc. This gives the Company a positive outlook in the communities it operates. |
| 5      | Waste management          | R  | Manufacturing of products requires abundant quantities of raw materials and proper management of waste.  | We are managing risks associated with Waste management through implementation and strengthening of recycle and reuse programs. Effective recovery of solvents from solvent recovery system and reuse in the process. Implementation of green chemistry in the process to reduce the waste generation. All solid waste generated are handled as per the applicable regulations of Ministry of Environment, Forest & Climate Change of India and Pollution Control Board's (PCB) conditions. | Waste management risks may result in negative financial implications.  |

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1 to P9 as given below:

|    |  |
|----|--|
| P1 | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability   |
| P2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle                                      |
| P3 | Businesses should promote the wellbeing of all employees   |
| P4 | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised. |
| P5 | Businesses should respect and promote human rights   |
| P6 | Business should respect, protect, and make efforts to restore the environment  |
| P7 | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner   |
| P8 | Businesses should support inclusive growth and equitable development   |
| P9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner   |



| Disclosure Questions  | P1  | P2                     | P3                       | P4  | P5  | P6                               | P7  | P8  | P9  |                         |                           |  |  |                            |                         |   |  |
|---|---|------------------------|--------------------------|-----|-----|----------------------------------|-----|---|-----|-------------------------|---------------------------|--|--|----------------------------|-------------------------|---|--|
| <b>Policy and management processes</b>  |   |                        |                          |     |     |                                  |     |   |     |                         |                           |  |  |                            |                         |   |  |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)  | Yes   | Yes                    | Yes                      | Yes | Yes | Yes                              | NA  | Yes   | Yes |                         |                           |  |  |                            |                         |   |  |
| b. Has the policy been approved by the Board? (Yes/No)  | The Policies are approved by the Board or respective Executive Director as authorised by the Board.   |                        |                          |     |     |                                  |     |   |     |                         |                           |  |  |                            |                         |   |  |
| c. Web Link of the Policies, if available   | (Click on policy for web access if available on the Company's website i.e. www.divislabs.com)<br>P1 to P9 (excluding P7) - <a href="#">Code of Ethics and Business Conduct</a><br>P1 - <a href="#">Whistle Blower Policy</a><br>P2 - <a href="#">Supplier Code of Conduct, Sustainable procurement policy</a><br>P3 to P5 - <a href="#">Labour and Human Rights Policy</a><br>P4 - <a href="#">Corporate Social Responsibility Policy</a><br>P6 - <a href="#">Environmental, Health and Safety Policy, Environmental Sustainability Policy</a><br>P7 - NA<br>P9 - <a href="#">Information Security Policies</a> (available on our intranet)   |                        |                          |     |     |                                  |     |   |     |                         |                           |  |  |                            |                         |   |  |
| 2. Whether the entity has translated the policy into procedures. (Yes/No)   | Yes   |                        |                          | NA  |     |                                  | Yes |   |     |                         |                           |  |  |                            |                         |   |  |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No)   | Yes   | Yes                    | Yes                      | Yes | Yes | Yes                              | NA  | No  | Yes |                         |                           |  |  |                            |                         |   |  |
| 4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.  |   | ISO 45001,<br>ISO 9001 | ISO 45001<br>OHSAS 18001 |     |     | ISO 14001,<br>ISO 14064,<br>CGMP |     | As per the CSR Rules prescribed under the Companies Act, 2013 |     |                         |                           |  |  |                            |                         |   |  |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any.  | <p>The Company has set specific ESG objectives which lays down the key aspects of the sustainability including timelines for the same. We have set the following sustainability targets for 2030:</p> <table border="0"> <tr> <td><b>Carbon Footprint</b></td> <td><b>Water Conservation</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Reduce absolute based GHG (Scope-1 &amp; Scope emission) by 5%.</li> <li>Reduce intensity based GHG (Scope-1 &amp; Scope-2) emission by 25%.</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Reduce ground water &amp; surface water intake by 30%.</li> <li>Reduce water consumption by 25%.</li> <li>Reduce intensity-based water consumption by 25%.</li> </ul> </td> </tr> <tr> <td><b>Energy Conservation</b></td> <td><b>Waste Management</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Decrease intensity-based energy consumption by 25%.</li> <li>Rely on renewable energy sources to the extent possible, where applicable.</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Reduce intensity-based waste disposal by 25%.</li> <li>Reduce plastic waste using for packing.</li> </ul> </td> </tr> </table> |                        |                          |     |     |                                  |     |   |     | <b>Carbon Footprint</b> | <b>Water Conservation</b> | <ul style="list-style-type: none"> <li>Reduce absolute based GHG (Scope-1 &amp; Scope emission) by 5%.</li> <li>Reduce intensity based GHG (Scope-1 &amp; Scope-2) emission by 25%.</li> </ul> | <ul style="list-style-type: none"> <li>Reduce ground water &amp; surface water intake by 30%.</li> <li>Reduce water consumption by 25%.</li> <li>Reduce intensity-based water consumption by 25%.</li> </ul> | <b>Energy Conservation</b> | <b>Waste Management</b> | <ul style="list-style-type: none"> <li>Decrease intensity-based energy consumption by 25%.</li> <li>Rely on renewable energy sources to the extent possible, where applicable.</li> </ul> | <ul style="list-style-type: none"> <li>Reduce intensity-based waste disposal by 25%.</li> <li>Reduce plastic waste using for packing.</li> </ul> |
| <b>Carbon Footprint</b>   | <b>Water Conservation</b>   |                        |                          |     |     |                                  |     |   |     |                         |                           |  |  |                            |                         |   |  |
| <ul style="list-style-type: none"> <li>Reduce absolute based GHG (Scope-1 &amp; Scope emission) by 5%.</li> <li>Reduce intensity based GHG (Scope-1 &amp; Scope-2) emission by 25%.</li> </ul>  | <ul style="list-style-type: none"> <li>Reduce ground water &amp; surface water intake by 30%.</li> <li>Reduce water consumption by 25%.</li> <li>Reduce intensity-based water consumption by 25%.</li> </ul>  |                        |                          |     |     |                                  |     |   |     |                         |                           |  |  |                            |                         |   |  |
| <b>Energy Conservation</b>  | <b>Waste Management</b>   |                        |                          |     |     |                                  |     |   |     |                         |                           |  |  |                            |                         |   |  |
| <ul style="list-style-type: none"> <li>Decrease intensity-based energy consumption by 25%.</li> <li>Rely on renewable energy sources to the extent possible, where applicable.</li> </ul>   | <ul style="list-style-type: none"> <li>Reduce intensity-based waste disposal by 25%.</li> <li>Reduce plastic waste using for packing.</li> </ul>  |                        |                          |     |     |                                  |     |   |     |                         |                           |  |  |                            |                         |   |  |
| 6. Performance of entity against the specific commitments, goals and targets along-with reasons in case the same are not met.   | <p>The performance against specific commitments, goals achieved during the year is as follows:</p> <table border="0"> <tr> <td><b>Carbon Footprint</b></td> <td><b>Water Conservation</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>~15,500 TCO<sub>2</sub>e emissions were reduced with the initiatives taken during the reporting period.</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>~39,000 M<sup>3</sup> of water was conserved with the initiatives taken during the reporting period.</li> </ul> </td> </tr> <tr> <td><b>Energy Conservation</b></td> <td><b>Waste Management</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>~1,58,71,000 KWH or 57,135 GJ of energy was conserved with the initiatives taken during the reporting period.</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Reduced ~85 MT of waste.</li> </ul> </td> </tr> </table>   |                        |                          |     |     |                                  |     |   |     | <b>Carbon Footprint</b> | <b>Water Conservation</b> | <ul style="list-style-type: none"> <li>~15,500 TCO<sub>2</sub>e emissions were reduced with the initiatives taken during the reporting period.</li> </ul>                                      | <ul style="list-style-type: none"> <li>~39,000 M<sup>3</sup> of water was conserved with the initiatives taken during the reporting period.</li> </ul>   | <b>Energy Conservation</b> | <b>Waste Management</b> | <ul style="list-style-type: none"> <li>~1,58,71,000 KWH or 57,135 GJ of energy was conserved with the initiatives taken during the reporting period.</li> </ul>                           | <ul style="list-style-type: none"> <li>Reduced ~85 MT of waste.</li> </ul>   |
| <b>Carbon Footprint</b>   | <b>Water Conservation</b>   |                        |                          |     |     |                                  |     |   |     |                         |                           |  |  |                            |                         |   |  |
| <ul style="list-style-type: none"> <li>~15,500 TCO<sub>2</sub>e emissions were reduced with the initiatives taken during the reporting period.</li> </ul>   | <ul style="list-style-type: none"> <li>~39,000 M<sup>3</sup> of water was conserved with the initiatives taken during the reporting period.</li> </ul>  |                        |                          |     |     |                                  |     |   |     |                         |                           |  |  |                            |                         |   |  |
| <b>Energy Conservation</b>  | <b>Waste Management</b>   |                        |                          |     |     |                                  |     |   |     |                         |                           |  |  |                            |                         |   |  |
| <ul style="list-style-type: none"> <li>~1,58,71,000 KWH or 57,135 GJ of energy was conserved with the initiatives taken during the reporting period.</li> </ul>   | <ul style="list-style-type: none"> <li>Reduced ~85 MT of waste.</li> </ul>  |                        |                          |     |     |                                  |     |   |     |                         |                           |  |  |                            |                         |   |  |
| <b>Governance, leadership and oversight</b>   |   |                        |                          |     |     |                                  |     |   |     |                         |                           |  |  |                            |                         |   |  |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure): Please refer Managing Director's perspective at page no. 10 of this annual report. |   |                        |                          |     |     |                                  |     |   |     |                         |                           |  |  |                            |                         |   |  |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).   | Dr. Murali K. Divi<br>Managing Director<br>DIN: 00005040<br>Email: cs@divislabs.com<br>Tel: 040-66966352  |                        |                          |     |     |                                  |     |   |     |                         |                           |  |  |                            |                         |   |  |

| Disclosure Questions  | P1  | P2                        | P3        | P4        | P5        | P6                        | P7        | P8        | P9        |
|---|---|---------------------------|-----------|-----------|-----------|---------------------------|-----------|-----------|-----------|
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details. | Yes, Mr. Madhusudhana Rao Divi, Whole-time Director (Projects) is the head of business responsibility and leads the sustainability/ESG strategies in the Company. He reports and updates the Board on sustainability issues as part of the business performance review. |                           |           |           |           |                           |           |           |           |
| 10. Details of Review of NGRBCs by the Company:   |   |                           |           |           |           |                           |           |           |           |
| <b>Subject for Review</b>   | <b>Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee and Frequency</b>   |                           |           |           |           |                           |           |           |           |
| Performance against above policies and follow up action   | The Policies of the Company are reviewed periodically or on need basis by respective Department heads/Executive Directors/Board Committees/Board of Directors, as applicable.   |                           |           |           |           |                           |           |           |           |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances   | The Company is in compliance with all applicable laws.  |                           |           |           |           |                           |           |           |           |
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.     | <b>P1</b>   | <b>P2</b>                 | <b>P3</b> | <b>P4</b> | <b>P5</b> | <b>P6</b>                 | <b>P7</b> | <b>P8</b> | <b>P9</b> |
|   | No  | Yes, Bureau Veritas India | No        | No        | No        | Yes, Bureau Veritas India | NA        | No        | No        |

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:  
With respect to Principle 7, the answer is "Not Applicable" (NA) as the Company does not have a separate policy on public advocacy.

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

#### PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

##### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment  | Total number of training and awareness programmes held | Topics/ principles covered under the training and its impact  | % age of persons in respective category covered by the awareness programmes |
|--|--|---|---|
| Board of Directors (BoD)<br>Key Managerial Personnel | 4  | Familiarisation programs for the Board of Directors/ KMPs of the Company are done periodically. The topics of the programmes includes business and industry updates, risk management, important regulatory changes and compliances of various statutory requirements, updating on various Codes/Policies of the Company, environmental, social and governance parameters, legal cases, etc. | 100%  |
| Employees other than BoD and KMPs<br>Workers         | 1251   | In addition to on-the-job training programs, all the employees including workers underwent trainings which include topics covering principles P1-6, P8, P9.   | 100%  |

2. Details of fines/penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):



| Monetary        |   |                 |                   |  |
|-----------------|---|-----------------|-------------------|--|
| NGRBC Principle | Name of the regulatory/enforcement agencies/judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine   |   | Nil             |                   |  |
| Settlement      |   |                 |                   |  |
| Compounding fee |   |                 |                   |  |
| Non-Monetary    |   |                 |                   |  |

| Non-Monetary    |   |                   |  |  |
|-----------------|---|-------------------|--|--|
| NGRBC Principle | Name of the regulatory/enforcement agencies/judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |  |
| Imprisonment    |   | Nil               |  |  |
| Punishment      |   |                   |  |  |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company has Anti-Corruption Policy, which not only covers the company but also extend to our stakeholders, vis., suppliers, customers, employees, etc.

Weblink: <https://www.divislabs.com/wp-content/uploads/2022/02/Anti-Corruption-Policy.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

|           | FY 2022-23 | FY 2021-22 |
|-----------|------------|------------|
| Directors | 0          | 0          |
| KMPs      | 0          | 0          |
| Employees | 0          | 0          |
| Workers   | 0          | 0          |

6. Details of complaints with regard to conflict of interest:

|  | FY 2022-23 |         | FY 2021-22 |         |
|--|------------|---------|------------|---------|
|  | Number     | Remarks | Number     | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0          | -       | 0          | -       |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | 0          | -       | 0          | -       |

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

#### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness programmes held | Topics/ Principles covered under the training | % age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| Nil                                       | Nil   | Nil   |

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has in place "Code of Ethics and Business Conduct" and a 'Policy on Related Party Transactions', which are applicable to the members of the Board of Directors. Transactions with Directors or any entity in which such Directors are concerned or interested, are required to be approved by the Audit Committee and the Board of Directors. In such cases, the interested Directors abstain themselves from the discussions at the meeting. Related Party Transactions, if any, with the Company shall be at arm's length basis only. The weblink of the abovementioned policies are mentioned below:

Code of Ethics and Business Conduct: <https://www.divislabs.com/wp-content/uploads/2022/02/Code-of-Ethics-and-Business-Conduct-of-Divis-Laboratories-Limited.pdf>

Policy on Related Party Transactions: <https://www.divislabs.com/wp-content/uploads/2022/04/RPT-policy.pdf>

#### PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

##### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

|       | FY 2022-23  | FY 2021-22  | Details of improvements in environmental and social impacts  |
|-------|---|---|--|
| R&D   | During the year 2022-23, the total investment in R&D and capital expenditure was about ₹6,934 lakhs. This includes R&D and capex investments in specific technologies to improve the environmental and social impacts of products and processes | During the year 2021-22, the total investment in R&D and capital expenditure was about ₹5,905 lakhs. This includes R&D and capex investments in specific technologies to improve the environmental and social impacts of products and processes | With the improvements taken during the year 2022-23, ~15,500 TCO <sub>2e</sub> emissions were reduced, ~39,000 M <sup>3</sup> of water was conserved and ~1,58,71,000 KWH of energy was conserved. |
| Capex |   |   |  |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No): Yes

b. If yes, what percentage of inputs were sourced sustainably?

Yes, at Divis, we are striving for sustainability across all functions of our organisation including sourcing and procurement. Through our Sustainable Procurement policy, we are committed to ensuring the goods and services we purchase are manufactured, delivered, used and disposed of in an environmentally and socially responsible manner. It is also intended to encourage our suppliers to adopt practices that minimise their environmental impact and deliver community benefits, in relation to their own operations, and throughout the supply chains in which they operate.

About 80% volume of our purchases are sourced from vendors who embraced our sustainable procurement policy

c. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

We have adopted a waste management procedure under which plastic wastes management is taken care right from receipts to disposal. The plastic waste (packaging and other type) generated from our operations is collected, segregated at point of generation, and sent to authorised recyclers by following all applicable local regulations. E-waste generated from our operations is collected and transferred to authorised recyclers/dismantling agencies by following all applicable local regulations. Hazardous & Other Waste: Adopting the benchmarking practices on hazardous waste management, most of the waste is co-processed as alternative fuel instead of incineration which shall cutdown the incinerated ash sent for Landfill. Organic/distillation bottom residues which possess calorific value are sent to cement industries as alternate fuel in the kilns. Inorganic solid wastes are disposed to TSDF (An authorised Govt. secure land fill) and or to authorised re-processor.

d. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.



Yes. Actions are implemented to minimise the amount of plastic waste generated and ensure that the waste is recycled/reused or disposed off to environment in friendly manner. For the purpose of implementation, we have engaged engaged with authorised Recyclers. Our waste collection plan is in line with the EPR plan submitted to PCB.

**Leadership Indicators**

- Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Few of our products are taken up for life cycle assessment.

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not applicable

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

We have established systems for recovering and recycle/reuse for most of our input materials. The recovery of about 6 input materials is about 90% to 95%.

- Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Not applicable. Considering the line of business/operations, we have not reclaimed any products and packaging at the end of life of products.

- Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not applicable. We have not reclaimed any products and their packaging materials.

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

- a. Details of measures for the well-being of employees:

| Category                              | % of employees covered by |                  |            |                    |            |                    |            |                    |          |                     |            |
|---------------------------------------|---------------------------|------------------|------------|--------------------|------------|--------------------|------------|--------------------|----------|---------------------|------------|
|                                       | Total (A)                 | Health Insurance |            | Accident Insurance |            | Maternity Benefits |            | Paternity Benefits |          | Day Care facilities |            |
|                                       |                           | Number (B)       | % (B/A)    | Number (C)         | % (C/A)    | Number (D)         | % (D/A)    | Number (E)         | % (E/A)  | Number (F)          | % (F/A)    |
| <b>Permanent Employees</b>            |                           |                  |            |                    |            |                    |            |                    |          |                     |            |
| Male                                  | 7,223                     | 7,223            | 100        | 7,223              | 100        | NA                 | NA         | NA                 | NA       | 7,223               | 100        |
| Female                                | 1,152                     | 1,152            | 100        | 1,152              | 100        | 1,152              | 100        | NA                 | NA       | 1,152               | 100        |
| <b>Total</b>                          | <b>8,375</b>              | <b>8,375</b>     | <b>100</b> | <b>8,375</b>       | <b>100</b> | <b>1,152</b>       | <b>100</b> | <b>-</b>           | <b>-</b> | <b>8,375</b>        | <b>100</b> |
| <b>Other than Permanent Employees</b> |                           |                  |            |                    |            |                    |            |                    |          |                     |            |
| Male                                  | 1,767                     | 1,767            | 100        | 1,767              | 100        | NA                 | NA         | NA                 | NA       | 1,767               | 100        |
| Female                                | 523                       | 523              | 100        | 523                | 100        | 523                | 100        | NA                 | NA       | 523                 | 100        |
| <b>Total</b>                          | <b>2,290</b>              | <b>2,290</b>     | <b>100</b> | <b>2,290</b>       | <b>100</b> | <b>523</b>         | <b>100</b> | <b>-</b>           | <b>-</b> | <b>2,290</b>        | <b>100</b> |

NA: Not Applicable

- b. Details of measures for the well-being of workers:

| Category                            | % of workers covered by |                  |            |                    |            |                    |            |                    |          |                     |            |
|-------------------------------------|-------------------------|------------------|------------|--------------------|------------|--------------------|------------|--------------------|----------|---------------------|------------|
|                                     | Total (A)               | Health Insurance |            | Accident Insurance |            | Maternity Benefits |            | Paternity Benefits |          | Day Care facilities |            |
|                                     |                         | Number (B)       | % (B/A)    | Number (C)         | % (C/A)    | Number (D)         | % (D/A)    | Number (E)         | % (E/A)  | Number (F)          | % (F/A)    |
| <b>Permanent workers</b>            |                         |                  |            |                    |            |                    |            |                    |          |                     |            |
| Male                                | 58                      | 58               | 100        | 58                 | 100        | NA                 | NA         | NA                 | NA       | 58                  | 100        |
| Female                              | 0                       | 0                | 0          | 0                  | 0          | 0                  | 0          | NA                 | NA       | 0                   | 0          |
| <b>Total</b>                        | <b>58</b>               | <b>58</b>        | <b>100</b> | <b>58</b>          | <b>100</b> | <b>0</b>           | <b>0</b>   | <b>-</b>           | <b>-</b> | <b>58</b>           | <b>100</b> |
| <b>Other than Permanent workers</b> |                         |                  |            |                    |            |                    |            |                    |          |                     |            |
| Male                                | 6,183                   | 6,183            | 100        | 6,183              | 100        | NA                 | NA         | NA                 | NA       | 6,183               | 100        |
| Female                              | 5                       | 5                | 100        | 5                  | 100        | 5                  | 100        | NA                 | NA       | 5                   | 100        |
| <b>Total</b>                        | <b>6,188</b>            | <b>6,188</b>     | <b>100</b> | <b>6,188</b>       | <b>100</b> | <b>5</b>           | <b>100</b> | <b>-</b>           | <b>-</b> | <b>6,188</b>        | <b>100</b> |

- Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits               | FY 2022-23   |  |  | FY 2021-22   |  |  |
|------------------------|--|--|--|--|--|--|
|                        | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF                     | 100  | 100  | Y  | 100  | 100  | Y  |
| Gratuity               | 100  | 100  | N.A.   | 100  | 100  | N.A.   |
| ESI                    | 53%  | 83.4%  | Y  | 52%  | 82.4%  | Y  |
| Others –please specify | -  | -  | -  | -  | -  | -  |

- Accessibility of workplaces: Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes.

- Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The Company's Code of Ethics and Business Conduct provides for 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. Weblink to access the Code of Ethics and Business Conduct is <https://www.divislab.com/wp-content/uploads/2022/02/Code-of-Ethics-and-Business-Conduct-of-Divi-Laboratories-Limited.pdf>

- Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender       | Permanent Employees |                | Permanent Workers   |                |
|--------------|---------------------|----------------|---------------------|----------------|
|              | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male         | NA                  | NA             | NA                  | NA             |
| Female       | 100%                | 81.8%          | NA                  | NA             |
| <b>Total</b> | <b>100%</b>         | <b>81.8%</b>   |                     |                |

- Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

|                                | Yes/No | (If Yes, then give details of the mechanism in brief)   |
|--------------------------------|--------|---|
| Permanent Workers              | Yes    | Yes (A Grievance Redressal Mechanism has been constituted to hear and redress individual grievances).   |
| Other than Permanent Workers   | Yes    | The Company has formulated Whistle Blower Policy for redressing grievances related to unethical behavior, actual or suspected fraud or a violation of a Company's Code of Conduct.  |
| Permanent Employees            | Yes    | As per this Policy, the concerns can be sent to the Vigilance Officer or directly to the Chairman of the Audit Committee. The policy can be accessed at <a href="https://www.divislab.com/wp-content/uploads/2020/06/WhistleBlowerPolicy.pdf">https://www.divislab.com/wp-content/uploads/2020/06/WhistleBlowerPolicy.pdf</a> |
| Other than Permanent Employees | Yes    |   |



7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category                  | FY 2022-23   |  |         | FY 2021-22   |  |         |
|---------------------------|--|--|---------|--|--|---------|
|                           | Total employees/workers in respective category (A) | No. of employees/workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees/workers in respective category (C) | No. of employees/workers in respective category, who are part of association(s) or Union (D) | % (D/C) |
| Total Permanent Employees | 8,375  | Nil  | 0       | 8,778  | Nil  | 0       |
| Male                      | 7,223  | Nil  | 0       | 7,553  | Nil  | 0       |
| Female                    | 1,152  | Nil  | 0       | 1,225  | Nil  | 0       |
| Total Permanent Workers   | 58   | Nil  | 0       | 59   | Nil  | 0       |
| Male                      | 58   | Nil  | 0       | 59   | Nil  | 0       |
| Female                    | 0  | Nil  | 0       | 0  | Nil  | 0       |

8. Details of training given to employees and workers:

| Category         | FY 2022-23 |                               |         |                      |         | FY 2021-22 |                               |         |                      |         |
|------------------|------------|-------------------------------|---------|----------------------|---------|------------|-------------------------------|---------|----------------------|---------|
|                  | Total (A)  | On Health and safety measures |         | On Skill upgradation |         | Total (D)  | On Health and safety measures |         | On Skill upgradation |         |
|                  |            | No. (B)                       | % (B/A) | No. (C)              | % (C/A) |            | No. (E)                       | % (E/D) | No. (F)              | % (F/D) |
| <b>Employees</b> |            |                               |         |                      |         |            |                               |         |                      |         |
| Male             | 8,990      | 8,990                         | 100     | 8,990                | 100     | 8,997      | 8,997                         | 100     | 8,997                | 100     |
| Female           | 1,675      | 1,675                         | 100     | 1,675                | 100     | 1,519      | 1,519                         | 100     | 1,519                | 100     |
| Total            | 10,665     | 10,665                        | 100     | 10,665               | 100     | 10,529     | 10,516                        | 100     | 10,516               | 100     |
| <b>Workers</b>   |            |                               |         |                      |         |            |                               |         |                      |         |
| Male             | 6,241      | 6,241                         | 100     | 6,241                | 100     | 6,021      | 6,021                         | 100     | 6,021                | 100     |
| Female           | 5          | 5                             | 100     | 5                    | 100     | 6          | 6                             | 100     | 6                    | 100     |
| Total            | 6,246      | 6,246                         | 100     | 6,246                | 100     | 6,027      | 6,027                         | 100     | 6,027                | 100     |

Note: Training programmes offered under health and safety and skill upgradation are mandatory for all employees and workers. All of them attended the training programmes as per schedule.

9. Details of performance and career development reviews of employees and worker:

| Category         | FY 2022-23 |         |         | FY 2021-22 |         |         |
|------------------|------------|---------|---------|------------|---------|---------|
|                  | Total (A)  | No. (B) | % (B/A) | Total (C)  | No. (D) | % (D/C) |
| <b>Employees</b> |            |         |         |            |         |         |
| Male             | 7,223      | 7,223   | 100     | 7,540      | 7,540   | 100     |
| Female           | 1,152      | 1,152   | 100     | 1,225      | 1,225   | 100     |
| Total            | 8,375      | 8,375   | 100     | 8,765      | 8,765   | 100     |
| <b>Workers</b>   |            |         |         |            |         |         |
| Male             | 58         | 58      | 100     | 59         | 59      | 100     |
| Female           | 0          | 0       | 100     | 0          | 0       | 100     |
| Total            | 58         | 58      | 100     | 59         | 59      | 100     |

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, occupational health and safety management system has been implemented. All our manufacturing sites, Divi's Research Centre (DRC) & Corporate Office (HO) are ISO 45001 certified. Coverage of the system is 100% of our operations.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Well established SOPs (Guidance Document) are in place for Hazard Identification and Risk Assessment (HIRA). As part of continual improvement, we take significant steps to improve health and safety practices within the organisation and strive to sustain benchmarking levels. Risk Analysis procedures following at Divi's includes, Process Safety Risk Analysis, HIRA, HAZOP Study, Chemical Workplace risk assessment and LOPA. After identifying Hazards, the possibility and the consequences of each Hazard are examined by following quantitative 5x5 Risk Assessment Matrix (RAM) to establish the level of risk both before and after implementation of safeguards.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. The procedures that enables the workers to report work related hazards are in place. As a regular practice, worker is nominated as one of the team members for all Hazard Identifications and Risk Assessments. In addition, a well-established procedure on employee (worker) suggestions on all work-related improvements is in place.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. Employees/ worker of the entity have access to non-occupational medical and healthcare services.

11. Details of safety related incidents, in the following format:

| Safety Incident/Number  | Category  | FY 2022-23 | FY 2021-22 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.26       | 0.42       |
|   | Workers   | 0.64       | 1.16       |
| Total recordable work-related injuries  | Employees | 0          | 0          |
|   | Workers   | 0          | 0          |
| No. of fatalities   | Employees | 0          | 0          |
|   | Workers   | 0          | 0          |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employees | 0          | 0          |
|   | Workers   | 0          | 0          |

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Adherence to our Health & Safety (EHS) policy is at the core of our operations. We have a well-established procedure for Hazard Identification and Risk Analysis (HIRA), which helps limit safety hazards. It covers routine and non-routine works with an executed action plan that minimises risks to acceptable levels. All routine, non-routine activities, emergency activities are assessed to identify health & safety risks related to product manufacturing, services, operations considering changes (including planned or new developments, modified activities. All our manufacturing sites, Research Centre (DRC) & Corporate Office (HO) are ISO 45001 certified. We have established Committees (Safety, Health) at different levels in the organisation, to guide employees on EHS matters As part of our commitment to consciously promote safe and healthy workplace practices, we encourage our employees, supervisors and managers to take direct ownership of their safety, and the safety of their colleagues.

13. Number of Complaints on the following made by employees and workers:

|                    | FY 2022-23            |                                       |         | FY 2021-22            |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | Nil                   | Nil                                   | -       | Nil                   | Nil                                   | -       |
| Health & Safety    | Nil                   | Nil                                   | -       | Nil                   | Nil                                   | -       |

14. Assessments for the year:

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 100%  |
| Working Conditions          | 100%  |



15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

**Leadership Indicators**

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, for Employees and Workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The company periodically communicates with the value chain partners and pursues compliances. This activity is also reviewed by internal auditor/consultants. The Company expects its value chain partners to uphold business responsibility principles and values of transparency and accountability.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been/are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

|           | Total no. of affected employees / workers |            | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |            |
|-----------|---|------------|---|------------|
|           | FY 2022-23                                | FY 2021-22 | FY 2022-23  | FY 2021-22 |
| Employees | Nil                                       | Nil        | NA  | NA         |
| Workers   | Nil                                       | Nil        | NA  | NA         |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) Yes

5. Details on assessment of value chain partners:

|                             | % of value chain partners (by value of business done with such partners) that were assessed   |
|-----------------------------|---|
| Health and safety practices | Assessment of value chain partners has commenced and ~80% of our supply chain partners by volume have responded to participate in our assessment. |
| Working Conditions          |   |

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

During the reporting period, no corrective action plan was necessitated.

If any such risks/concerns are noticed, the value chain partner will be asked to comply with requisite measures in a timebound manner. If not complied within the given time, procurement will be deferred till the value chain partners improve the safety practices and working conditions to address the risk/concern.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

We recognise key stakeholder as an individual or group of individuals or institutions that impact our business or are impacted by our business. Our key stakeholders include employees, customers, investors, suppliers, the community and government authorities.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group               | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, others)                  | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others - please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement  |
|---------------------------------|--|---|---|--|
| Employees                       | No   | Emails, notice boards, website, management interactions   | Continuous and as per requirement   | For employee wellbeing, to provide a safe and inclusive workplace, provide required infrastructure and training for professional and personal growth. Also to redress grievances and work on feedbacks and consultation. |
| Customers                       | No   | Emails, brochures, website and meetings (physical and virtual).   | Based on business needs   | To keep the customers informed about our products and services and to understand the business needs.   |
| Value chain partners            | No   | Emails, website and meetings (physical and virtual).  | Based on business needs   | To ensure timely supply of goods and services in order to maintain business continuity sustainably.  |
| Shareholders                    | No   | Notices, advertisements, email, annual reports, stock exchange intimations, earnings conference calls and through updates on Company's website. | Quarterly/half-yearly/annual  | Disclosure of financial information and business updates beside applicable statutory disclosures.  |
| Community                       | Yes  | CSR Initiatives, In-person Meetings   | Need basis  | With a commitment to make meaningful change a reality, we continue to undertake varied initiatives aimed at improving lives of vulnerable/ marginalised groups in the community.   |
| Government/ Government Agencies | No   | Various submissions and disclosures, meetings, emails, etc  | As per statutory requirement and need based   | To ensure and report various compliances to discharge statutory responsibilities and to keep the policy makers informed about industry requirements.   |

**Leadership Indicators**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Consultation with relevant stakeholders on the economic, environmental, and social topics is done by the respective functional heads and the feedback is shared with the Management/Committee/Board, as required.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. For instance, CSR activities are identified, prioritised, and implemented in consultation with relevant stakeholders.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

The departmental heads are empowered to engage and address the concerns of vulnerable/ marginalised stakeholder groups as needed.

Our CSR initiatives are implemented with the objective to reach out to vulnerable and marginalised stakeholder groups. Based on the engagement with stakeholder groups, needs are identified, and efforts are put in to address the concerns.

**Some of the areas in which the organisation is working are:**

- Promoting Education by strengthening infrastructure through science labs, sports facilities, libraries and an initiative to eradicate malnutrition by providing Horlicks sachets to all the schools surrounding the manufacturing facilities.



- Providing pure drinking water to people residing in the surrounding communities through which approx. 3,00,000 people are benefitted.
- Empowering women by providing required support women right by encouraging them to get educated to earning a livelihood.
- Plantation around the company's manufacturing facilities and organising clean and green programme.
- To empower the youth with right skills for their future employment and self-employment needs livelihood training programs like Tailoring, Beautician course, Hospitality, basic computer skills etc. in Divi's Skill Development Centre.
- Other key initiatives include, animal welfare, preventive healthcare, swach bharat, rural development, support to differently abled, etc.

**PRINCIPLE 5: Businesses should respect and promote human rights**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category             | FY 2022-23 |                                      |         | FY 2021-22 |                                      |         |
|----------------------|------------|--------------------------------------|---------|------------|--------------------------------------|---------|
|                      | Total (A)  | No. of employees/workers covered (B) | % (B/A) | Total (C)  | No. of employees/workers covered (D) | % (D/C) |
| <b>Employees</b>     |            |                                      |         |            |                                      |         |
| Permanent            | 8,375      | 8,375                                | 100     | 8,765      | 8,765                                | 100     |
| Other than Permanent | 2,290      | 2,290                                | 100     | 1,751      | 1,751                                | 100     |
| Total Employees      | 10,665     | 10,665                               | 100     | 10,516     | 10,516                               | 100     |
| <b>Workers</b>       |            |                                      |         |            |                                      |         |
| Permanent            | 58         | 58                                   | 100     | 59         | 59                                   | 100     |
| Other than Permanent | 6,188      | 6,188                                | 100     | 5,968      | 5,968                                | 100     |
| Total Workers        | 6,246      | 6,246                                | 100     | 6,027      | 6,027                                | 100     |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category             | FY 2022-23 |                       |         |                        |         | FY 2021-22 |                       |         |                        |         |
|----------------------|------------|-----------------------|---------|------------------------|---------|------------|-----------------------|---------|------------------------|---------|
|                      | Total (A)  | Equal to Minimum Wage |         | More than Minimum Wage |         | Total (D)  | Equal to Minimum Wage |         | More than Minimum Wage |         |
|                      |            | No. (B)               | % (B/A) | No. (C)                | % (C/A) |            | No. (E)               | % (E/D) | No. (F)                | % (F/D) |
| <b>Employees</b>     |            |                       |         |                        |         |            |                       |         |                        |         |
| Permanent            | 8,375      | 0                     | 0       | 8,375                  | 100     | 8,765      | 0                     | 0       | 8,765                  | 100     |
| Male                 | 7,223      | 0                     | 0       | 7,223                  | 100     | 7,540      | 0                     | 0       | 7,540                  | 100     |
| Female               | 1,152      | 0                     | 0       | 1,152                  | 100     | 1,225      | 0                     | 0       | 1,225                  | 100     |
| Other than Permanent | 2,290      | 0                     | 0       | 2,290                  | 100     | 1,751      | 0                     | 0       | 1,751                  | 100     |
| Male                 | 1,767      | 0                     | 0       | 1,767                  | 100     | 1,457      | 0                     | 0       | 1,457                  | 100     |
| Female               | 523        | 0                     | 0       | 523                    | 100     | 294        | 0                     | 0       | 294                    | 100     |
| <b>Workers</b>       |            |                       |         |                        |         |            |                       |         |                        |         |
| Permanent            | 58         | 0                     | 0       | 58                     | 100     | 59         | 0                     | 0       | 59                     | 100     |
| Male                 | 58         | 0                     | 0       | 58                     | 100     | 59         | 0                     | 0       | 59                     | 100     |
| Female               | 0          | 0                     | 0       | 0                      | 100     | 0          | 0                     | 0       | 0                      | -       |
| Other than Permanent | 6,188      | 0                     | 0       | 6,188                  | 100     | 5,968      | 0                     | 0       | 5,968                  | 100     |
| Male                 | 6,183      | 0                     | 0       | 6,183                  | 100     | 5,962      | 0                     | 0       | 5,962                  | 100     |
| Female               | 5          | 0                     | 0       | 5                      | 100     | 6          | 0                     | 0       | 6                      | 100     |

3. Details of remuneration/salary/wages, in the following format:

|   | Male   |   | Female |   |
|---|--------|---|--------|---|
|   | Number | Median remuneration/salary/ wages of respective category (In ` lakhs) | Number | Median remuneration/salary/ wages of respective category (In ` lakhs) |
| Executive Directors                                   | 4      | 3054.99   | 1      | 2462.74   |
| Independent Directors*                                | 6      | 31.00   | 1      | 25.00   |
| Key Managerial Personnel#                             | 2      | 179.97  | -      | -   |
| Employees other than Board of Directors (BoD) and KMP | 7,217  | 4.81  | 1,151  | 3.89  |
| Workers   | 58     | 8.54  | -      | -   |

Note: \*Independent directors are paid by way of sitting fees and annual remuneration equal to male and female categories.

#Other than Executive Directors

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) Yes
5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

For employees, a grievance redressal committee is constituted for the resolution of disputes arising out of individual grievances. The committee has equal representation from management and workers. Individual workers can raise grievances to the committee. The grievance redressal committee would enquire and resolve the grievance within defined time limits.

Also, the Company has a Whistle Blower Policy with defined procedures to report instances of unethical behavior, actual or suspected fraud, or violation of the Code of Ethics and Business Conduct to the Vigilance Officer/Chairman of the Audit Committee. The Policy is available on the Company's website.

6. Number of Complaints on the following made by employees and workers:

|                                   | FY 2022-23            |                                       |         | FY 2021-22            |                                       |         |
|-----------------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                                   | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment                 | 0                     | 0                                     | -       | 0                     | 0                                     | -       |
| Discrimination at workplace       | 0                     | 0                                     | -       | 0                     | 0                                     | -       |
| Child Labour                      | 0                     | 0                                     | -       | 0                     | 0                                     | -       |
| Forced Labour/ Involuntary Labour | 0                     | 0                                     | -       | 0                     | 0                                     | -       |
| Wages                             | 0                     | 0                                     | -       | 0                     | 0                                     | -       |
| Other human rights related issues | 0                     | 0                                     | -       | 0                     | 0                                     | -       |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.  
A mechanism is in place to handle the complaints related to discrimination and harassment which also includes prevention of adverse consequences to the complainant. Any retaliation or threats against those who make harassment complaints or assist in the investigation shall be subject to disciplinary measures.  
Also, the Company has Whistle Blower Policy with a set mechanism to file complaints, which will be appropriately dealt with by the Chairman of the Audit Committee.
8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)  
Yes.



9. Assessments for the year:

| Category                    | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child labour                | 100%  |
| Forced/involuntary labour   | 100%  |
| Sexual harassment           | 100%  |
| Discrimination at workplace | 100%  |
| Wages                       | 100%  |
| Others – please specify     | -   |

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not applicable

**Leadership Indicators**

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

Not applicable

2. Details of the scope and coverage of any Human rights due diligence conducted.

The Company undertook due diligence of human rights through internal protocols as per policies and procedures.

3. Is the premise/office of the entity accessible to differently-abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes.

4. Details on assessment of value chain partners:

|                                  | % of value chain partners (by value of business done with such partners) that were assessed   |
|----------------------------------|---|
| Sexual Harassment                | Assessment of value chain partners has commenced and ~80% of our supply chain partners by volume have responded to participate in our assessment. |
| Discrimination at workplace      |   |
| Child Labour                     |   |
| Forced Labour/Involuntary Labour |   |
| Wages                            |   |
| Others – please specify          |   |

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Not applicable.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment:**

**Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter   | FY 2022-23           | FY 2021-22           |
|---|----------------------|----------------------|
| Total electricity consumption (A)   | 15,03,759 GJ         | 14,92,264 GJ         |
| Total fuel consumption (B)  | 36,94,336 GJ         | 36,85,695 GJ         |
| Energy consumption through other sources (C)  | 1,939 GJ             | 1,964 GJ             |
| <b>Total energy consumption (A+B+C)</b>   | <b>52,00,034 GJ</b>  | <b>51,79,923 GJ</b>  |
| Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) | 6.52 GJ/₹ (in lakhs) | 5.76 GJ/₹ (in lakhs) |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No.

3. Provide details of the following disclosures related to water, in the following format:

| Parameter   | FY 2022-23                        | FY 2021-22                        |
|---|-----------------------------------|-----------------------------------|
| <b>Water withdrawal by source (in kiloliters)</b>                               |                                   |                                   |
| (i) Surface water   | 10,66,027                         | 8,87,845                          |
| (ii) Groundwater  | 8,17,105                          | 8,27,415                          |
| (iii) Third party water   | 24,577                            | 23,836                            |
| (iv) Seawater/desalinated water   | 9,31,001                          | 8,64,840                          |
| (v) Others  | 0                                 | 0                                 |
| <b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b> | <b>28,38,710</b>                  | <b>26,03,936</b>                  |
| <b>Total volume of water consumption (in kiloliters)</b>                        | <b>36,18,258</b>                  | <b>33,19,431</b>                  |
| <b>Water intensity per rupee of turnover (Water consumed/turnover)</b>          | <b>4.54 Kl/ Rupees (in lakhs)</b> | <b>3.69 Kl/ Rupees (in lakhs)</b> |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, Divi's laboratories Limited has installed Zero Liquid Discharge (ZLD) for effluent treatment at Unit-I operating in Telangana state. All kind of effluents are managed under ZLD system installed with various kinds of advance technologies and adequate standby systems. The RO permeates collected from final treatment of effluents are re-used/ recycled within the industry. The domestic wastewater is treated in STP and the treated water is re-used for toilet flushing and gardening. Complete ETP of ZLD system is monitored through online monitoring system. The real time data of online monitoring system is connected to official websites of PCB.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter                           | Please specify unit         | FY 2022-23 | FY 2021-22 |
|-------------------------------------|-----------------------------|------------|------------|
| NOx                                 | Tons                        | 75.51      | 126.53     |
| SOx                                 | Tons                        | 57.12      | 90.88      |
| Particulate matter (PM)             | µg/m <sup>3</sup> (average) | 31.09      | 41.4       |
| Persistent organic pollutants (POP) | -                           | -          | -          |
| Volatile organic compounds (VOC)    | µg/m <sup>3</sup>           | 5.12       | 4.65       |
| Hazardous air pollutants (HAP)      | -                           | -          | -          |
| Others – please specify -Ammonia    | µg/m <sup>3</sup>           | 17.08      | 14.30      |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

Yes, ambient air quality analysis has been carried out by Re Sustainability Solutions Private Limited.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter   | Unit  | FY 2022-23 | FY 2021-22 |
|---|---|------------|------------|
| <b>Total Scope 1 emissions</b><br>(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | 3,80,676   | 3,82,670*  |
| <b>Total Scope 2 emissions</b><br>(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | 3,73,141   | 3,70,742   |
| <b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>  | MT CO <sub>2</sub> e/ Rupees (in lakhs)     | 0.94       | 0.84       |

\*For FY 2021-22 total scope 1 emissions has been recalculated in line with general industrial practices with reference to IPCC guidelines.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

Yes, Bureau Veritas India

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, various initiatives are implemented to reduce the Green House Gas emissions (GHG).

Few key initiatives taken to reduce GHG emissions are:

- Recovering and re-using of heat energy from flash steam letting out to atmospheres
- Installing Oxygen (O<sub>2</sub>) analysers for process vessels to monitor and maintaining inert atmospheres in critical process operations
- Radiator type heat exchanger of process air pre-cooler is replaced with plate-heat exchanger
- Replacing centrifuge and FBDs with ANFs
- Installing dry-claw vacuum pump system in place of regular ejector system
- Implementing Green Chemistry Principles
- Arranging table top pH meter at process areas.

8. Provide details related to waste management by the entity, in the following format:

| Parameter  | FY 2022-23         | FY 2021-22         |
|--|--------------------|--------------------|
| <b>Total Waste generated (in metric tonnes)</b>  |                    |                    |
| Plastic waste (A)  | 496.53             | 429.81             |
| E-waste (B)  | 2.81               | 4.91               |
| Bio-medical waste (C)  | 0.35               | 0.193              |
| Construction and demolition waste (D)  | 4,469.36           | 2,586              |
| Battery waste (E)  | 33.21              | 12.59              |
| Radioactive waste (F)  | 0                  | 0                  |
| Other Hazardous waste. Please specify, if any. (G)   | 94,412.67          | 1,19,985.44        |
| Other Non-hazardous waste generated (H). Please specify, if any.   |                    |                    |
| (Break-up by composition i.e. by materials relevant to the sector)   | 20,071.60          | 27,345.12          |
| <b>Total (A+B + C + D + E + F + G+ H)</b>  | <b>1,19,486.53</b> | <b>1,50,364.06</b> |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b> |                    |                    |
| <b>Category of waste</b>   |                    |                    |
| (i) Recycled   | 28,505.94          | 49,160.41          |
| (ii) Re-used   | 26,227.17          | 29,914.99          |
| (iii) Other recovery operations  | 49,834.84          | 56,730.78          |
| <b>Total</b>   | <b>1,04,567.95</b> | <b>1,35,806.18</b> |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>                              |                    |                    |
| <b>Category of waste</b>   |                    |                    |
| (i) Incineration   | 13.34              | 10.81              |
| (ii) Landfilling   | 14,405.58          | 13,792.75          |
| (iii) Other disposal operations  | 0                  | 0                  |
| <b>Total</b>   | <b>14,418.92</b>   | <b>13,803.56</b>   |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The plastic waste (packaging and other type) generated from our operations is collected, segregated at source and sent to authorised recyclers by following all applicable local regulations. E-waste generated from our operations is collected and transferred to authorised recyclers/dismantling agencies by following all applicable local regulations. Hazardous & Other Waste, most of the waste is Co-processed as alternative fuel instead of incineration which shall cutdown the incinerated ash sent for Landfill. Organic/distillation bottom residues which possess calorific value are sent to cement industries as alternate fuel in the kilns. Inorganic solid wastes are disposed to TSDF (An authorised Govt. secure land fill) and or to authorised re-processor.

~85% of our hazardous waste is sent to cement industries and recyclers for co-processing and recycling. The remaining ~15% of hazardous waste is sent to landfilling and incineration. Other non-hazardous waste such as glass, MS scrap, wood waste, boiler ash etc. is sent to recyclers, cement industries for co-processing or to brick manufacturers.

We treat all our waste as a value stream and 3R's strategy is effectively implementing to reduce its impact on Environment. We reduce waste through technological interventions and by implementing green chemistry principles. Ongoing initiatives increasing usage time cycles, segregation of waste at point of generation, process optimisation, packaging optimisation/changes in packaging types, multistage scrubbers etc. We have shifted to jumbo bags from small size packaging, getting RMs in bulk tankers instead of in plastic drums.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

The Company does not have any of its manufacturing facilities in ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

In the current financial year, no environmental impact assessments studies were undertaken.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, we are compliant with the applicable environmental law/ regulations/ guidelines in India.

#### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameter   | FY 2022-23       | FY 2021-22       |
|---|------------------|------------------|
| <b>From renewable sources</b>                               |                  |                  |
| Total electricity consumption (A)                           | 11,196 GJ        | 25,592 GJ        |
| Total fuel consumption (B)                                  | 0                | 0                |
| Energy consumption through other sources (C)                | 0                | 0                |
| <b>Total energy consumed from renewable sources (A+B+C)</b> | <b>11,196 GJ</b> | <b>25,592 GJ</b> |
| <b>From non-renewable sources</b>                           |                  |                  |
| Total electricity consumption (D)                           | 14,92,563 GJ     | 14,66,672 GJ     |
| Total fuel consumption (E)                                  | 36,94,336 GJ     | 36,85,695 GJ     |
| Energy consumption through other sources(F)                 | 1,939 GJ         | 1,964 GJ         |
| Total energy consumed from non-renewable sources (D+E+F)    | 51,88,838 GJ     | 51,54,331 GJ     |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No.



2. Provide the following details related to water discharged:

| Parameter  | FY 2022-23                                  | FY 2021-22                                  |
|--|---|---|
| <b>Water discharge by destination and level of treatment (in kiloliters)</b> |   |   |
| (i) To Surface water   | 0   | 0   |
| - No treatment   | 0   | 0   |
| - With treatment – please specify level of treatment                         | 0   | 0   |
| (ii) To Groundwater  | 0   | 0   |
| - No treatment   | 0   | 0   |
| - With treatment – please specify level of treatment                         | 0   | 0   |
| (iii) To Seawater  | 4,20,702                                    | 3,75,580                                    |
| - No treatment   | 0   | 0   |
| - With treatment – please specify level of treatment                         | Treated to meet the PCB discharge standards | Treated to meet the PCB discharge standards |
| (iv) Sent to third-parties   | 0   | 0   |
| - No treatment   | 0   | 0   |
| - With treatment – please specify level of treatment                         | 0   | 0   |
| (v) Others   | 0   | 0   |
| - No treatment   | 0   | 0   |
| - With treatment – please specify level of treatment                         | 0   | 0   |
| <b>Total water discharged (in kiloliters)</b>                                | <b>4,20,702</b>                             | <b>3,75,580</b>                             |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable. Our facilities are not located in areas of water stress.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Considering the non-availability of auditable GHG emission data from most of our supply-chain related to purchased goods, purchased capital goods and external waste disposal, Scope 3 emissions are not included in this year's BRSR report.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| Sr. No | Initiative undertaken     | Details of the initiative (Web-link, if any, may be provided along-with summary)   | Outcome of the initiative  |
|--------|---------------------------|--|--|
| 01     | Reducing Carbon Footprint | Few key initiatives,<br><ul style="list-style-type: none"> <li>Recovering and re-using of heat energy from flash steam letting out to atmospheres.</li> <li>Installing Oxygen (O<sub>2</sub>) analysers for process vessels to have continuous monitor and to maintain inert atmospheres in critical process operations.</li> <li>Radiator type heat exchanger of process air pre-cooler is replaced with plate-heat exchanger</li> </ul>                                  | ~15,500 TCO <sub>2</sub> e emissions were reduced with the initiatives taken during the reporting period.    |
| 02     | Water Management          | Few key initiatives,<br><ul style="list-style-type: none"> <li>Purifying and utilising equipment final wash water for cooling towers.</li> <li>Replacing wet ice used for reaction mass quenching with brine cooled chilled water.</li> <li>Reusing of final wash/rinse water for initial wash/rinse in process steps</li> <li>Rainwater is harvested by facilitating rainwater harvesting pits around our non-process facilities.</li> </ul>                              | ~39,000 M <sup>3</sup> of water was conserved with the initiatives taken during the reporting period         |
| 03     | Energy Management         | Few key initiatives,<br><ul style="list-style-type: none"> <li>Energy is conserved by recovering and re-using of steam released to atmosphere.</li> <li>Arranging pH meter at processing area, resulted in reducing the process time cycles.</li> <li>Arranging O<sub>2</sub> analysers for process vessels, benefited us in reducing the nitrogen demand for equipment energisation.</li> </ul>   | ~1,58,71,000 KWH or 57,135 GJ of energy was conserved with the initiatives taken during the reporting period |
| 04     | Waste Management          | Few key initiatives,<br><ul style="list-style-type: none"> <li>Implementing process improvements through Green Chemistry Principles aided in improving recovery &amp; reuse potential.</li> <li>Recycling of plastic containers, liners, metal containers and metal scrap.</li> <li>Established solvent recovery stations to recover and reuse solvents.</li> <li>Process solid residue sent by Divi's is reused as fuel (Co-Incineration) in cement industries</li> </ul> | ~ 85 MT of waste is reduced.   |

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company has developed business continuity and disaster management plan. The plans are developed keeping in view of various risks which could be mitigated/minimised. However, despite the plans and comprehensive standard operating procedures (SOPs) for various situations, unforeseen events/risks may cause interruption to the Company's operations. The plans are aimed at continuing Company's operations with the least possible interruptions.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impact to the environment were reported from the value chain of the entity.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Assessment of value chain partners has commenced and ~80% of our supply chain partners by volume have responded to participate in our assessment.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent:**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.  
The Company is associated with 9 trade and industry chambers/ associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S. No. | Name of the trade and industry chambers/ associations                                 | Reach of trade and industry chambers/ associations (State/National) |
|--------|---|---|
| 1.     | National Safety Council   | National  |
| 2.     | Indian chemical council   | National  |
| 3.     | Confederation of Indian industry  | National  |
| 4.     | Pharmaceuticals Export Promotion Council of India                                     | National  |
| 5.     | Bulk Drug Manufacturers Association   | National  |
| 6.     | National Fire Protection Association  | National  |
| 7.     | Swiss-India Chamber of Commerce   | International   |
| 8.     | American Industrial Hygiene Association (AIHA)  | International   |
| 9.     | Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTACCI) | State   |

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable

**Leadership Indicators**

1. Details of public policy positions advocated by the entity:

Not Applicable

**PRINCIPLE 8 : Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

A grievance redressal mechanism is in place consisting of CSR team members to receive and redress grievances of the community.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

|   | FY 2022-23 | FY 2021-22 |
|---|------------|------------|
| Directly sourced from MSMEs/ small producers                        | 20.1 %     | 14.9 %     |
| Sourced directly from within the district and neighboring districts | 8.8 %      | 8.1 %      |

**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| S. No. | State          | Aspirational District | Amount Spent (in ` lakhs) |
|--------|----------------|-----------------------|---------------------------|
| 1      | Andhra Pradesh | Visakhapatnam         | 1,075                     |
| 2      | Andhra Pradesh | Vizianagaram          | 225                       |

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

No

- b) From which marginalised /vulnerable groups do you procure?

NA

- c) What percentage of total procurement (by value) does it constitute?

NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

| S.No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit Shared (Yes/No) | Basis of calculating benefit share |
|-------|--|--------------------------|-------------------------|------------------------------------|
|       | Not applicable                                       | Not applicable           | Not applicable          | Not applicable                     |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

| Name of Authority | Brief of the Case | Corrective Action Taken |
|-------------------|-------------------|-------------------------|
| Not applicable    | Not applicable    | Not applicable          |

6. Details of beneficiaries of CSR Projects:

| S. No. | CSR Project                     | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalised groups   |
|--------|---------------------------------|---|--|
| 1      | Safe Drinking Water             | 3,08,186                                    | Our CSR initiatives are implemented with an objective to reach out to the vulnerable and marginalised communities, including persons with disabilities, elderly, women and children from the less privileged socio-economic sections of the society. |
| 2      | Preventive Healthcare           | 1,73,834                                    |  |
| 3      | Village Development             | 1,02,715                                    |  |
| 4      | Animal Welfare                  | 95,000                                      |  |
| 5      | Promoting Education             | 83,234                                      |  |
| 6      | Environment Sustainability      | 60,100                                      |  |
| 7      | Swachh Bharat                   | 27,600                                      |  |
| 8      | Promoting Rural Sports          | 5,001                                       |  |
| 9      | Empowering Women                | 945   |  |
| 10     | Support to Differently Abled    | 241   |  |
| 11     | Livelihood Enhancement Projects | 80  |  |



**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

As Divi's manufactures active pharmaceutical ingredients (APIs), API intermediates and supplies them to customers for further manufacturing to make respective finished drug products, we have no direct consumers. Hence, consumer complaints are not applicable to us. However, we have established procedures to receive customer complaints whether received in oral or in writing and respond back to customers within agreed timelines. The customer complaints are concluded and closed upon mutual agreement.

- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

|   | As a percentage to total turnover   |
|---|---|
| Environmental and social parameters relevant to the product | The Company complies with all the regulatory requirements in relation to the display of information on product label. |
| Safe and responsible usage                                  |   |
| Recycling and/ or safe disposal                             |   |

- Number of consumer complaints in respect of the following:

|                                | FY 2022-23               |                                   | Remarks | FY 2021-22               |                                   | Remarks |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
|                                | Received during the year | Pending resolution at end of year |         | Received during the year | Pending resolution at end of year |         |
| Data privacy                   | 0                        | 0                                 | -       | 0                        | 0                                 | -       |
| Advertising                    | 0                        | 0                                 | -       | 0                        | 0                                 | -       |
| Cyber-security                 | 0                        | 0                                 | -       | 0                        | 0                                 | -       |
| Delivery of essential services | 0                        | 0                                 | -       | 0                        | 0                                 | -       |
| Restrictive Trade Practices    | 0                        | 0                                 | -       | 0                        | 0                                 | -       |
| Unfair Trade Practices         | 0                        | 0                                 | -       | 0                        | 0                                 | -       |
| Other                          | 0                        | 0                                 | -       | 0                        | 0                                 | -       |

- Details of instances of product recalls on account of safety issues:

|                   | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | Nil    | Not applicable     |
| Forced recalls    | Nil    | Not applicable     |

- Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, we are following a set of Information Security Policies which are aligned to ISO 24001.

- Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Not applicable as no product recalls for the above stated reasons and hence no corrective actions taken for above stated reasons on safety of products/services.

**Leadership Indicators**

- Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on products and services of the Company can be accessed from website of the Company at <https://www.divislab.com/>

- Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

As Divi's manufactures active pharmaceutical ingredients (APIs), API intermediates and supplies to customers for further manufacturing to make respective finished drug products, we have no direct consumers. However, Storage and handling conditions/measures are displayed on the labels of each material container shipped to our customers.

- Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

As Divi's manufactures active pharmaceutical ingredients (APIs), API intermediates and supplies to customers for further manufacturing to make respective finished drug products, we have no direct consumers. However, we keep our customers informed of any risk of disruption/discontinuation of supplies in a prompt manner as agreed with them.

- Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Yes, product information displayed on the label of product container like name of product and grade (USP/EP/BP/IP), unique batch number, date of manufacture & retest date, quantity, manufacturing site address and license details, storage and handling conditions/precautions, approved by sign from quality department.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the Company has a mechanism to survey the customer satisfaction level for all its products/services.

- Provide the following information relating to data breaches:

- Number of instances of data breaches along-with impact: Nil
- Percentage of data breaches involving personally identifiable information of customers: 0







*Divi's Laboratories Limited*

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