Divi's Laboratories Limited

Leading with Purpose.

Powered by Chemistry.

Sustainability Report

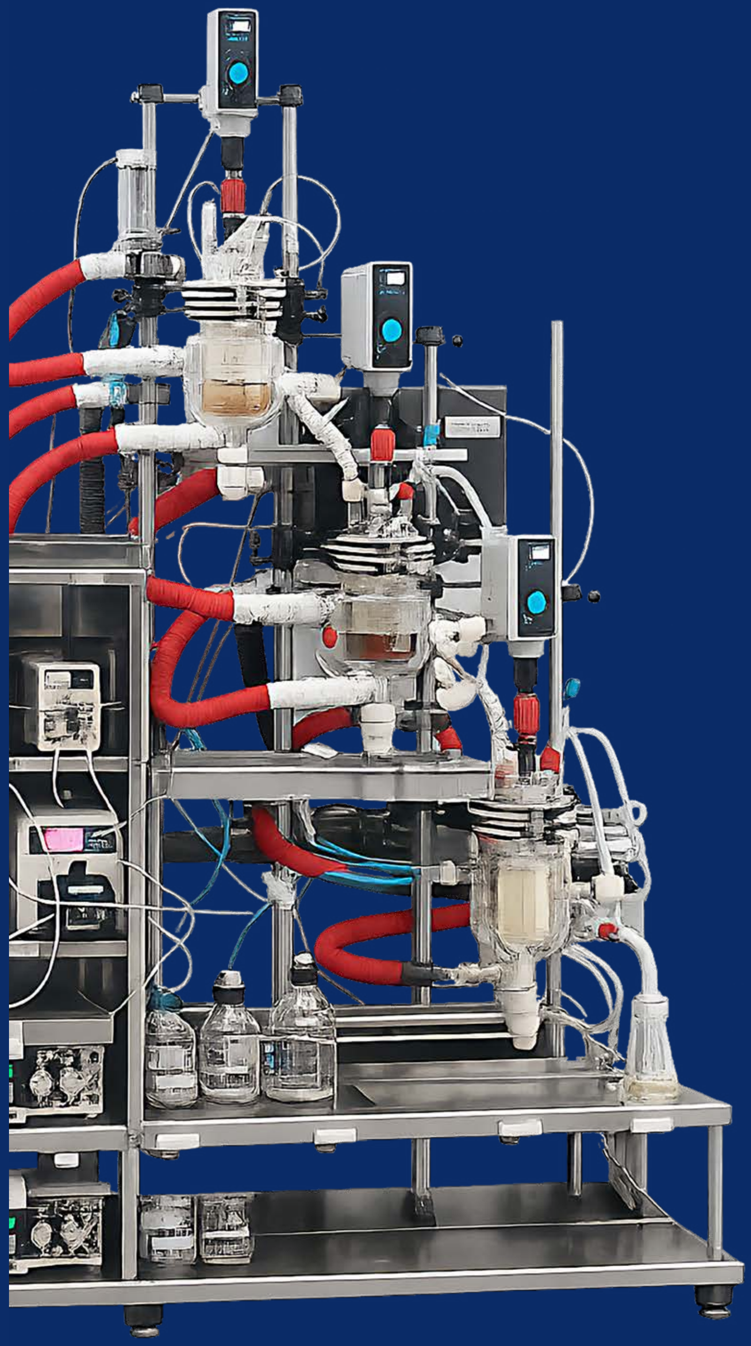
2025-26

Index

For more details, visit www.divislabs.com

Forward-Looking Statement

This Annual Report contains forward-looking statements, which might be identified by words, and variations of words, such as "will", "expect", "may", "would", "could", "plan", "believe", "anticipate", "intend", "estimate", "potential", "position", "outlook", "future", "prospects", and similar expressions. These forward-looking statements may include but are not limited to statements about our business and expected operational and financial performance, business outlook, demand in the global markets, our strategy, etc. These forward-looking statements involve several risks and uncertainties, many of which are beyond our control. Factors that could cause our actual results to differ materially from those described in our forward-looking statements include, but are not limited to, changes in local and global economic conditions, geo-political issues, changes in government regulations, manufacturing or quality control outcomes, regulatory compliances, change in market dynamics, currency fluctuations, legal and cyber security issues, exposure to various market risks, human resource risks, etc. There may be other factors not presently known to us or which we currently consider to be immaterial that could cause our actual results to differ materially from those projected in any forward-looking statements we make. We do not undertake any obligation to update or revise our forward-looking statements except as required by applicable law or regulation.



Leading with Purpose.

Powered by Chemistry.

For over three decades, we have built manufacturing facilities integrating our expertise in complex chemistry addressing our customers requirements with consistency and scale. This strength has earned the trust of the global pharmaceutical ecosystem and fostered long-standing partnerships. Today, our Custom Synthesis business, serving global innovators through complex, life-cycle programmes contributes to more than half of revenues, reflecting the growing importance of chemistry-led collaboration.

Readiness remains central to this model. Investments in capacity additions, infrastructure and advanced technologies are enhancing our ability to address evolving customer needs, including in emerging modalities such as peptides. At the same time, deeper backward integration, process excellence and an uncompromising focus on quality are reinforcing reliability and execution across the business.

Leading with purpose, for us, means serving patients through our manufacturing expertise, aligning our growth with the aspirations of our people, the trust of our customers, the expectations of our shareholders and the well-being of the communities around us. It is reflected in the way we invest in our teams, deepen partnerships, advance green chemistry, improve resource efficiency and strengthen disciplined execution. This balance of capability and care enables us to create enduring value.

With chemistry as our strength and purpose guiding our actions, we are shaping the next phase of our growth.

FY 2025-26 HIGHLIGHTS

A Year of Steady Progress

FINANCIAL

₹10,894 crores
Total Income

₹3,436 crores
Profit Before Tax

₹2,607 crores
Profit After Tax

₹98.19
Earnings Per Share

OPERATIONAL

- Established our Peptide Centre of Excellence
- Scaled up backward integration at Unit 3, Kakinada
- Progressed three major capex programmes backed by long-term supply commitments
- Expanded technology platforms in flow chemistry and biocatalysis
- Successfully concluded a US FDA general cGMP inspection at Unit 1, Choutuppal
- Marked 20 years of Divi's Nutraceuticals
- Received the International Safety Award 2026 from the British Safety Council

ENVIRONMENTAL

~8,290 GJ
Energy conserved

~1,59,500 KL
Water conserved

~46 MT
Waste reduced

~13,500 TCO_2e
GHG emissions reduced

SOCIAL

~9%
Female employees

~22 hours
EHS training/employee

42.50 million
Safe man-hours achieved

~₹50 crore
CSR commitment

GOVERNANCE

20%
Women Directors

50%
Independent Directors on the Board

100%
Average Board meeting attendance

100%
Shareholder grievances resolved

A Transformative Year of Investment

In FY 2025-26, we invested over ₹15 billion across Divi's manufacturing network, advancing capabilities that set the foundation for the next phase of growth. The capex programmes strengthened all three units, added technology-led capacity, deepened our sustainability footprint and built infrastructure aligned with future business needs. These investments expand what Divi's can deliver today and unlock what we can pursue tomorrow.

ABOUT DIVI'S LABORATORIES

Purpose-led Chemistry

Divi's Laboratories ranks among the global leaders in Active Pharmaceutical Ingredients, serving some of the world's largest pharmaceutical and nutraceutical companies.

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.

VALUES

Continuous Process Innovation

Sustainable Business Operations

Collaborative Efforts & Shared Values

Our strengths lie in large-scale generic API manufacturing, complex custom synthesis and a growing portfolio of nutrition and wellness ingredients. Over the years, we have built a reputation for dependable supply, deep process chemistry expertise and a disciplined approach to quality.

Our facilities combine advanced research, modern engineering and strong compliance systems, allowing us to deliver consistent, high-value chemistry solutions at scale. Backward integration, efficient processes and long-standing customer partnerships continue to support our position as a preferred manufacturer for regulated markets.

Sustainability remains central to how we operate. We invest in greener chemistries, energy-efficient technologies and responsible resource management while also supporting our people and the communities around us. These efforts reflect our commitment to grow responsibly and create long-term value.

Our Company is headquartered in Hyderabad, India.

Among the top 3 API manufacturers globally

36
Years of experience

100+
Country reach

3
Manufacturing facilities

89%
Revenue from exports

~18,600 M³/KL
Manufacturing capacity

~19,300
Employees

4
R&D Centres driven by ~700 scientists

OPERATING CONTEXT

Evolving Industry Dynamics

The external environment continues to reshape business priorities across the pharmaceutical industry. At Divi's, our purpose-led mindset and strong chemistry foundation help us stay responsive, sharpen execution and pursue sustainable growth.

Growing CDMO market and India's rising relevance

Pharmaceutical outsourcing is evolving into a more strategic, partnership-led model, with innovator companies seeking specialised capabilities and execution reliability. This is reinforcing structural growth in the global CDMO market, which was valued at ~USD 150 billion in 2024 and is projected to reach ~USD 290–300 billion by the early 2030s. Within this shift, India is emerging as a favourable CDMO destination, buoyed by global supply-chain diversification and demand for reliable manufacturing partners. BCG estimates that India's CRDMO sector could expand from USD 3.0–3.5 billion currently to USD 22–25 billion by 2035.

Our strategic response

- Expanding participation in Custom Synthesis programmes across development, validation and commercial stages
- Investing in dedicated assets aligned to long-term customer programmes
- Strengthening backward integration and supply assurance across the manufacturing network
- Building long-term customer relationships through chemistry depth, execution reliability and scientific collaboration

Expanding peptide market

The pharmaceutical industry is seeing strong growth in peptides, driven by increasing demand for more targeted and effective therapies. While obesity treatments are a major driver, the opportunity extends across multiple therapeutic areas. The global peptide therapeutics market, estimated at ~USD 140 billion in 2025, is projected to reach ~USD 295 billion by 2033. Innovative therapies account for ~80% of total revenue, while metabolic disorders represent ~64% of overall demand value, reflecting both the current scale and future potential of peptide-based medicines.

Our strategic approach

- Deploying advanced technologies and specialised facilities to address complex peptide opportunities
- Investing in both SPPS and LPPS capabilities to build scale in fragment manufacturing
- Strengthening speed-to-market through backward integration in protected amino acids and peptide building blocks

Sustained Relevance of generic APIs

Generic APIs continue to play a central role in expanding access to affordable medicines and supporting healthcare systems globally. While short-term pricing pressures persist in parts of the market, the long-term demand outlook remains intact, supported by rising healthcare needs and the continued role of generics in improving affordability. Generics continue to expand across cost-sensitive markets, and also represented ~90% of prescription volumes in the US in 2025, underscoring their critical role in enabling access at scale.

Our strategic approach

- Leveraging backward integration to enhance cost competitiveness and supply reliability
- Maintaining strong relationships with global customers to support volume continuity
- Focussing on execution discipline and dependable supply across key generic APIs
- Balancing the generics portfolio with higher-value Custom Synthesis opportunities

Rising importance of ESG in supplier selection

Sustainability and process safety are becoming more important in pharmaceutical outsourcing decisions. Innovator companies and global MNCs are placing greater emphasis on environmental performance, responsible manufacturing and strong EHS standards while evaluating supply partners. As a result, ESG are increasingly moving closer to core supplier-selection criteria, alongside quality, reliability and technical capability.

Our strategic approach

- Advancing green chemistry
- Improving process efficiency, solvent recovery and safer operating systems
- Aligning manufacturing practices with evolving customer expectations on sustainability and responsible operations

Geopolitical and trade-policy volatility

The external environment remains shaped by geopolitical uncertainty, shifting trade policies and periodic logistics disruptions, all of which can influence sourcing costs, lead times and supply-chain planning. In addition, policy changes such as China's withdrawal of export tax rebates on certain products could create selective input-cost pressure in parts of the chemicals and intermediates chain. While these factors can increase operating complexity, they also reinforce the importance of supply assurance, backward integration and procurement flexibility.

Our strategic approach

- Strengthening backward integration to improve control over key starting materials and intermediates
- Diversifying procurement and expanding the domestic supplier base
- Maintaining prudent inventory buffers and supply-chain flexibility
- Using network capacity more dynamically to support continuity and reduce disruption risk

GEOGRAPHIC FOOTPRINT

Chemistry for Global Markets

Our presence spans key pharmaceutical markets supported by advanced manufacturing facilities. This footprint strengthens our ability to respond to customer needs with speed and consistency. With strong R&D and chemistry capabilities embedded within our facilities, we continue to build a global platform that supports long-term growth and deeper engagement with partners worldwide.

Manufacturing Facilities

Manufacturing Unit 1
Choutuppal
65 km from Hyderabad

Manufacturing Unit 2
Visakhapatnam (Vizag)
700 km from Hyderabad

Manufacturing Unit 3
Kakinada
150 km south of Unit 2

R&D Centres

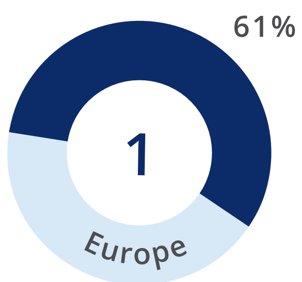
- B-34, Industrial Estate
  Sanath Nagar, Hyderabad, Telangana
- Lingojigudem Village,
  Choutuppal Mandal,
  Yadadri Bhuvanagiri, Telangana
- Chippada Village,
  Bheemunipatnam Mandal,
  Visakhapatnam,
  Andhra Pradesh
- Ontimamidi Village, Thondangi
  Mandal, Kakinada,
  Andhra Pradesh

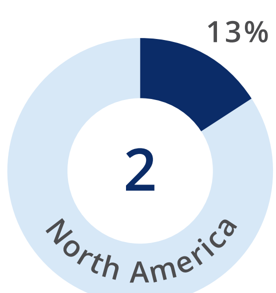
Headquarters

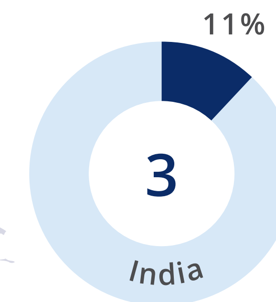
Hyderabad

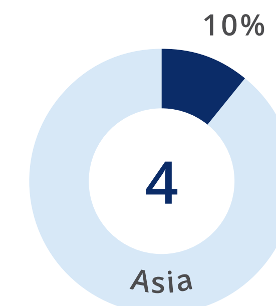
Subsidiaries

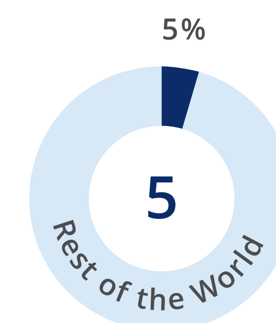
1. **New Jersey, USA**
2. **Basel, Switzerland**







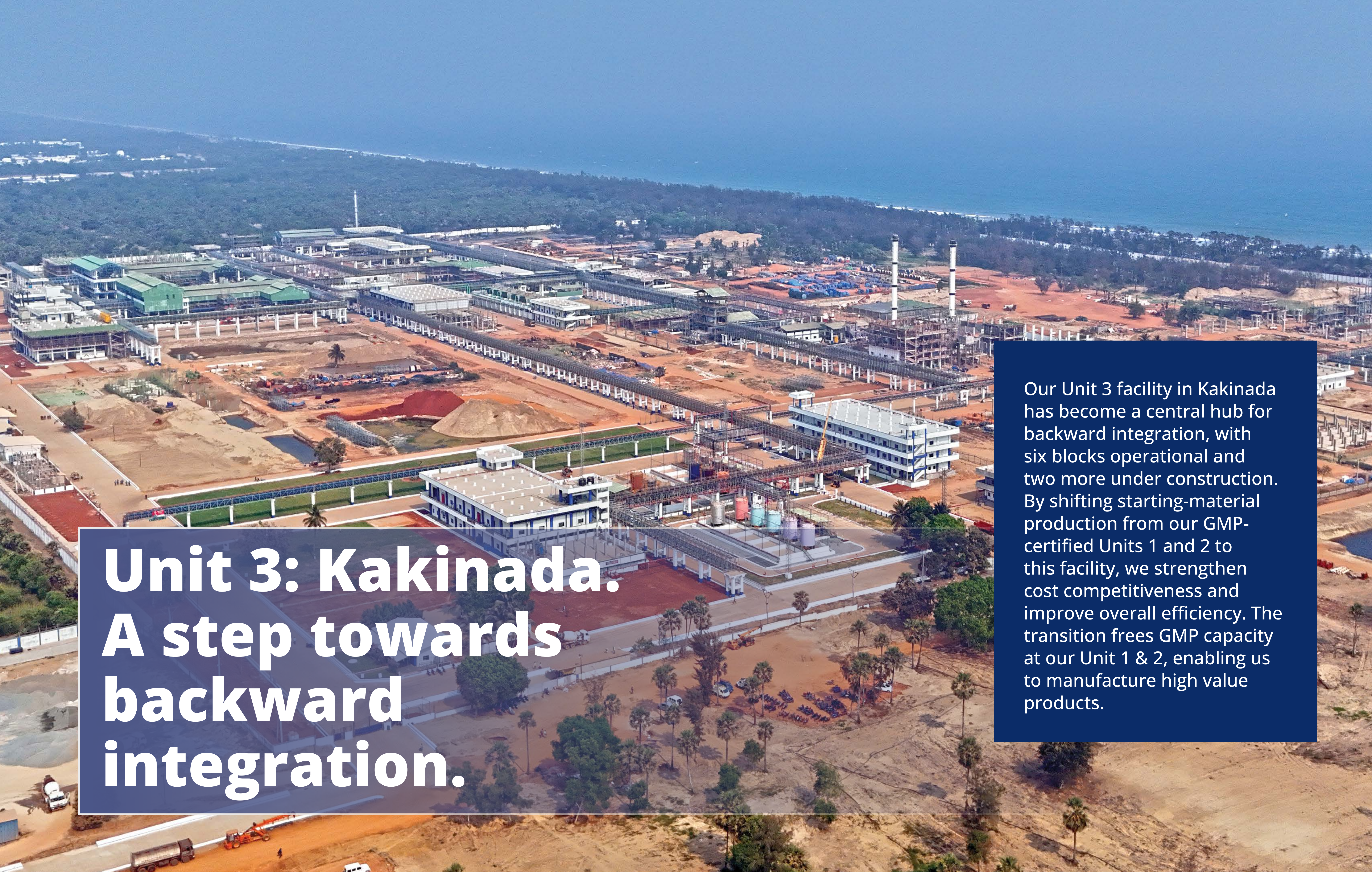




Map not to scale. For illustrative purposes only.

Sales by geography (₹ in crores)

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Europe	2,865	3,063	4,003	5,192	6,311
North America	3,833	2,196	1,310	1,488	1,360
India	1,038	957	971	1,105	1,147
Asia	798	1,041	1,017	1,044	1,079
Rest of the World	346	349	351	367	479



Unit 3: Kakinada. A step towards backward integration.

Our Unit 3 facility in Kakinada has become a central hub for backward integration, with six blocks operational and two more under construction. By shifting starting-material production from our GMP-certified Units 1 and 2 to this facility, we strengthen cost competitiveness and improve overall efficiency. The transition frees GMP capacity at our Unit 1 & 2, enabling us to manufacture high value products.

MANAGING DIRECTOR'S MESSAGE

Building Long-Term Value Through Chemistry

Dear Shareholders,

The financial year 2025-26 was characterised by uncertainty and challenge across the world. Amidst this backdrop, I am pleased to report that Divi's Laboratories continued to deliver with consistency while investing prudently in future-ready capabilities. The year's performance demonstrates our chemistry excellence, disciplined execution and clear commitment to sustainable, inclusive growth.

Navigating a dynamic environment

The operating environment remained complex, marked by changing trade flows, geopolitical tensions and evolving policy frameworks. Our response was anchored in agile decision-making and operational stability. A diversified sourcing model, supported by a steadily expanding domestic supplier base and prudent inventory buffers, helped reinforce supply resilience. At the same time, Unit 3 at Kakinada continued to advance our backward integration strategy by supporting the production of starting materials and intermediates, while also releasing GMP capacity at existing units for new products and customer requirements.

Delivering a resilient performance

Our **Generics business** remained steady despite persistent pricing pressure across the market. While value growth was moderated by pricing conditions, volumes across the core portfolio were stable, with encouraging traction in select products. Importantly, we did not see any loss of customers or market share, aided by process efficiencies, cost discipline and execution capabilities across markets.

Custom Synthesis business continues to be central to our long-term growth agenda. We saw healthy engagement from global innovators through a steady flow of new project discussions. Multiple programmes progressed through development and validation, with a few expected to move towards commercial manufacturing over the next 12 to 24 months, subject to regulatory approvals. As products evolve through different stages of their lifecycle, from patent-phase opportunities to late lifecycle programmes, new molecules continue to enter our pipeline. This balanced portfolio reduces concentration risk and supports a steady growth trajectory over time.

In peptides, we continued to strengthen our capabilities across chemistry, manufacturing and technology platforms. We saw active engagement with global pharmaceutical companies across multiple clinical phases, supported by our Peptide Centre of Excellence. Our backward-integrated model, together with our work across complex building blocks and fragments, provides greater control over quality, cost and supply reliability, and positions us well as peptide-based therapies expand across therapeutic areas.

The **Nutraceuticals business** delivered a healthy performance, supported by steady demand recovery and our established capabilities in carotenoids and other value-added ingredients. As we marked 20 years in Nutraceuticals, the segment continues to evolve as an important contributor aligned with the growing global focus on health, nutrition and wellness.

Investing for the future

A defining feature of the year was the scale of our capacity investments. Three major capex programmes, backed by long-term supply commitments, are progressing through different stages of execution. These investments are expected to begin contributing progressively over the next 12 to 24 months, subject to customer approvals and regulatory clearances. This approach to capital allocation continues to strengthen our future readiness and our ability to participate in more complex, higher-value opportunities.

Alongside physical capacity, we continued to deepen our scientific and technological platform. Greater automation, together with the expansion of advanced capabilities in flow chemistry is enhancing our ability to execute increasingly complex chemistries at scale. Our quality and compliance credentials were further reinforced by the successful conclusion of a US FDA general cGMP inspection at our Unit 1 facility.

Purpose in practice

Our purpose is reflected in the way our people engage in our manufacturing operations and continue to advance green chemistry practices by improving atom efficiency, reducing waste and enhancing solvent recovery and reuse.

Beyond our manufacturing facilities, we join with the communities around us for programmes focussed on education, health, safe drinking water, village infrastructure, women empowerment, livelihood creation, sanitation and animal welfare among others. Our community-focussed initiatives touched 18 lakh+ lives during the year, reaffirming our belief that business success carries greater meaning when it contributes to stronger and healthier communities.

Business outlook

As we look to the future, we are encouraged by the long-term potential of the industry.

The Company is well placed to benefit from these medium- to long-term trends through its differentiated capabilities. Long-standing relationships with global innovators, together with a proven record in EHS, sustainability and compliance, remain important in a market where partners are increasingly selective in how they choose CDMO providers.

In the near term, however, challenges persist, particularly the potential impact of geopolitical uncertainty and policy changes on input costs and supply conditions. We therefore remain focused on disciplined risk management and close coordination across the supply chain.

Our broader direction remains unchanged, with our strategy anchored in operational excellence and a long-term perspective. Despite our investment programme, we continue to maintain a robust liquidity position and a healthy balance sheet. These firm foundations position the Company to deliver the next phase of growth and create sustained stakeholder value.

Finally, I would like to express my sincere gratitude to our employees for their dedication and discipline, which continue to form the foundation of our performance. I also thank our customers for their continued trust, the Government and regulatory agencies for their continued support, and our shareholders for their unwavering support. I am grateful to our Board for its guidance and support. The confidence of all our stakeholders continues to inspire us as we move forward with purpose and responsibility.

Warm regards,

Dr. Murali K. Divi
Managing Director

BUSINESS PORTFOLIO

Chemistry in Action

Our business is anchored in three key portfolios that define our role in the global pharmaceutical value chain. Each portfolio contributes in a distinct way to our growth but all share the same foundation of chemistry excellence, dependable execution and long-term customer partnerships.

Generic APIs

Our generic API business is built on depth of chemistry, scale and reliability. We focus on a chosen set of molecules where we can deliver clear value through process innovation and cost competitiveness. With manufacturing that ranges from tens to thousands of metric tonnes a year, we support global customers with dependable volumes and consistent quality.

- Recognised as the world's largest manufacturer of 10 key APIs
- Presence in more than 100 countries supported by a resilient network

FY 2025-26 Snapshot

The business remained stable during the year, supported by backward integration, supply reliability and a resilient customer base. Unit 3 at Kakinada strengthened self-sufficiency through the in-house production of starting materials and intermediates, while volumes across key products remained steady despite continued pricing pressure.

Way Ahead

Scale, process efficiency and dependable execution will continue to anchor this portfolio. Upcoming product launches and continued backward integration are expected to support growth and strengthen competitiveness across key generic APIs.

Custom Synthesis

Our Custom Synthesis business supports leading global innovators with contract manufacturing of complex APIs and intermediates. The focus is on challenging chemistry that demands precision, high-potency handling and the ability to scale safely. Over the years, we have developed strong capabilities in managing high-energy reactions and delivering tailored solutions for late lifecycle APIs, registered starting materials and advanced intermediates. This combination of technical depth and reliable execution has positioned us as a trusted partner for some of the world's largest pharmaceutical companies.

- Ranked among the top 10 synthetic drug substance CDMO in the world
- Partner to 12 of the top 20 pharmaceutical companies worldwide

FY 2025-26 Snapshot

Custom Synthesis remained the key growth driver during the year, with rising contribution to overall revenues and a healthy pipeline of projects across development, validation and commercial stages. Customer engagement stayed strong, supported by a steady flow of RFPs, site visits and progress on multiple programmes, including three major capex-backed projects linked to long-term supply commitments.

Way Ahead

This portfolio is supported by a strong pipeline, expanding capabilities and investments aligned to customer programmes. A few projects are moving closer to commercial volumes, while ongoing capacity creation and technology upgrades are expected to strengthen long-term growth visibility.

Nutraceuticals

Our Nutraceuticals business operates as an integrated facility for the production of carotenoid ingredients and finished formulations, which include fat soluble vitamins. As a significant global supplier, we support leading food, beverages, dietary supplement and feed manufacturers with a reliable and scalable range of nutrition-focussed ingredients.

- Among the few nutraceutical ingredient manufacturers offering a wide range of carotenoids at competitive scale
- Portfolio includes Astaxanthin, Beta-carotene, Lycopene, Canthaxanthin, Apocarotenal and Vitamins A, D2, D3, E and K2

FY 2025-26 Snapshot

Nutraceuticals delivered healthy momentum during the year and remained a meaningful contributor to revenues. The business also marked a milestone year, completing 20 years of Divi's Nutraceuticals, while continuing to strengthen capacity and support growing demand.

Way Ahead

This portfolio is well placed to benefit from rising global interest in health, nutrition and wellness. Continued capacity strengthening and the breadth of the carotenoids portfolio are expected to support future growth.

CORE COMPETENCIES

The Chemistry Behind Divi's

Our foundations have been shaped over time through a clear sense of purpose, disciplined choices and a long-term approach to building a business designed for relevance, resilience and sustained growth.

A philosophy built on focus

Our business is shaped by a deliberate choice to remain API-led. By concentrating on generic APIs, custom synthesis and nutraceutical ingredients, we avoid competing with our customers and instead deepen our expertise in the chemistries that matter. This clarity of purpose allows us to build long-term value where we can make the greatest impact.

Integration as a mindset

Backward integration at Divi's is not only about manufacturing key starting materials in-house. It reflects a broader view of controlling quality, managing impurities and safeguarding supply. By keeping critical steps within our ecosystem, we strengthen compliance, reduce variability and enhance cost efficiency.

Relationships that endure

We have built relationships that span decades across regulated markets. Customers rely on our technical depth and ability to scale with certainty, and several of these partnerships have continued for more than 20 years. This enduring trust forms the foundation of our long-term growth.

Responsibility at the core

We measure progress not only by volumes or revenues but by the responsibility with which we grow. Energy-efficient operations, water stewardship and green chemistry principles guide our choices as we build a more sustainable future for our stakeholders and communities.

Engineering-led scale

Our facilities are designed to deliver reliability at scale. Years of disciplined investment have created plants capable of handling volumes from kilos to thousands of metric tonnes with the same consistency. This approach ensures predictable supply for global markets and the ability to respond quickly to shifts in demand.

Innovation with purpose

Our R&D effort is driven by practical innovation. The focus is on designing processes that simplify manufacturing, reduce environmental impact and remain efficient throughout the product lifecycle. With around 700 scientists working across four R&D centres and dedicated process development units, we continue to build competitive, sustainable chemistries for global partners.

Quality as culture

Quality at Divi's is a shared responsibility built into every stage of manufacturing. Our facilities at Unit 1 and 2 hold approvals from major global regulators including the USFDA, EU GMP agencies, Health Canada, TGA, ANVISA, COFEPRIS, PMDA and MFDS. A team of about 2,800 QA and QC professionals sustains this framework, ensuring consistent standards for regulated markets worldwide.

People who power our progress

Our success is built on the expertise and dedication of our people. Scientists, engineers, manufacturing teams and quality professionals across our facilities work together to bring precision to every stage of production. They are guided by a leadership team with decades of experience in pharmaceutical manufacturing and R&D, ensuring that we stay ahead as the industry evolves.

Advancing leadership in peptides

We inaugurated our Peptide Centre of Excellence, further strengthening our edge in the peptide segment. Capabilities across peptide fragments and complex building blocks continued to deepen, supported by a backward-integrated model that enhances control over quality, cost and supply.

We are actively engaged with several Big Pharmas across Phase I, Phase II and Phase III programmes, and as these molecules advance through regulatory milestones, we are ready to scale investments and capacity to meet their demand.

BUSINESS MODEL

Where Chemistry Meets Value Creation

RESOURCES UTILISED

Financial Resources
Strategic investments in infrastructure, R&D and operational efficiency to support manufacturing, supply chain and regulatory compliance.

Manufactured Capital
State-of-the-art manufacturing facilities and quality control laboratories ensuring consistent production and high-quality standards.

Intangible Assets
Intellectual property, patents and proprietary technology, coupled with regulatory approvals and certifications, drive innovation and maintain product excellence.

Skilled Workforce
A highly proficient team, led by experienced leadership, with deep industry expertise, fostering innovation and executing Divi's strategic vision.

Strategic Partnerships
Long-standing relationships with customers, suppliers and communities, ensuring sustainable and responsible growth.

Natural Resources
A commitment to sustainable sourcing, environmental responsibility and efficient resource utilisation for eco-friendly operations.

BUSINESS ACTIVITIES

Core Activities

We operate across the entire pharmaceutical value chain, from research & development to commercial production, ensuring the highest quality and compliance standards.

Business Portfolios

Building a Sustainable Future

- Upholding Employee Health, Safety, and Well-being
- Promoting Green Chemistry
- Empowering Communities
- Engaging with Stakeholders

VALUE CREATED FOR STAKEHOLDERS

Customers and Partners

- High-quality APIs, intermediates, and nutraceuticals, tailored to meet customer and partner requirements
- Flexible contract manufacturing services offering customised solutions

Shareholders

- Disciplined capital allocation to drive long-term, sustainable growth
- Strong corporate governance and compliance fostering trust and transparency

Employees

- A rewarding work environment with career development opportunities
- Extensive training programs to enhance skills and expertise
- A focus on employee well-being and professional growth

Sustainability & Community

- A steadfast commitment to reducing environmental impact and promoting sustainability
- Meaningful contributions to community welfare and development

KEY OUTCOMES

100+
countries served across diverse therapeutic areas

₹10,894 crores
Revenue

₹3,920 crores
EBITDA

42.50 million
Safe man-hours achieved

~90%
Employee retention rate

~18 lakh+
CSR beneficiaries

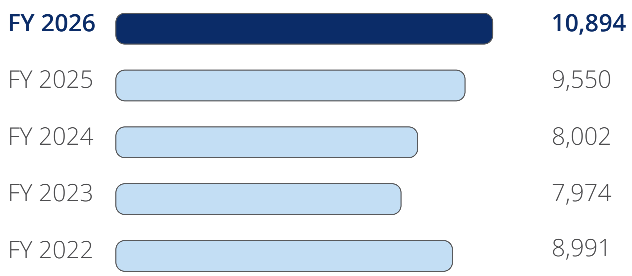
~8,290 GJ
Energy conserved

~1,59,500 KL
Water recycled and reused

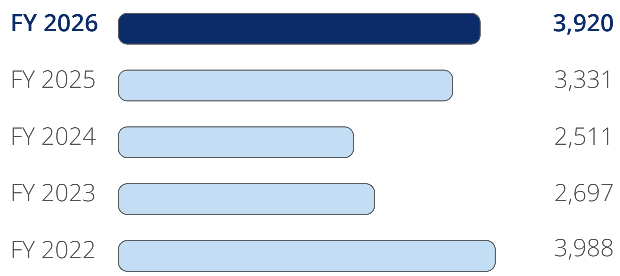
FINANCIAL HIGHLIGHTS

Performance Anchored in Discipline

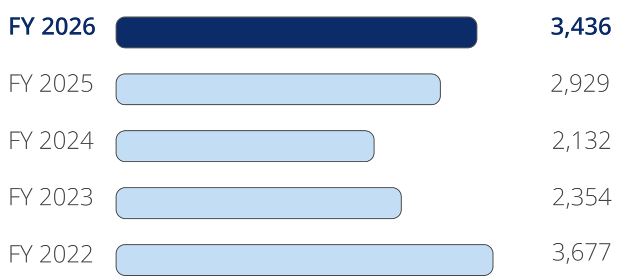
Total Income
(In ₹ crores)



EBITDA
(In ₹ crores)



PBT
(In ₹ crores)



PAT
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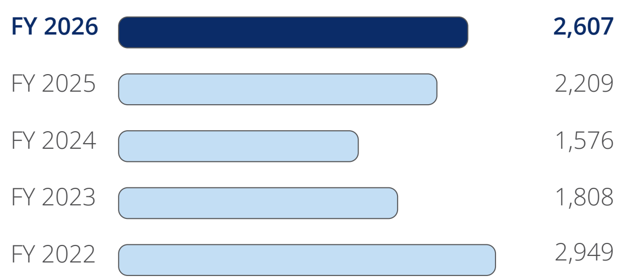
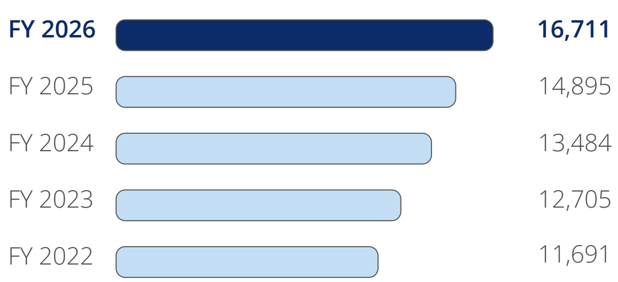
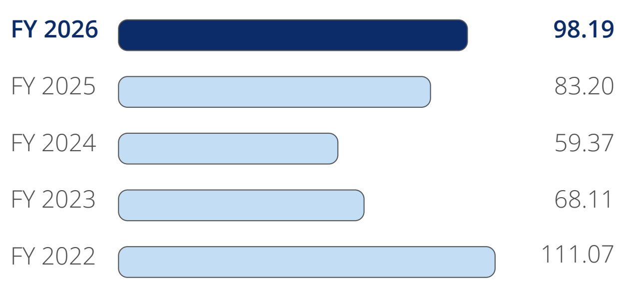


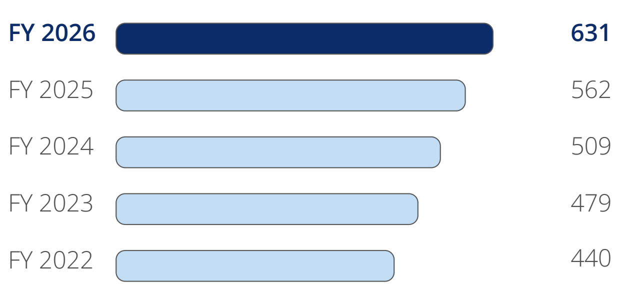
Net Worth
(In ₹ crores)



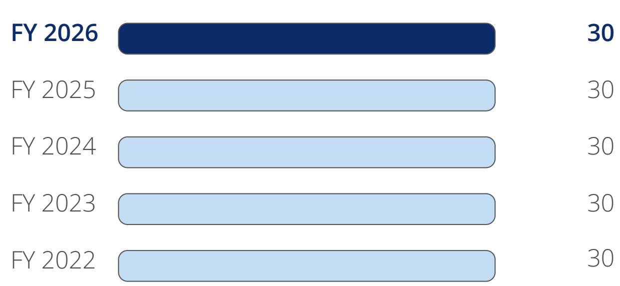
Earnings per Share
(₹)



Book Value per Share
(₹)



Dividend per Share
(₹)



(In ₹ crores)

	2021-22	2022-23	2023-24	2024-25	2025-26
Income and Profit					
Revenue	8,880	7,625	7,665	9,198	10,388
Revenue Growth %	30.61%	-14.13%	0.52%	20.00%	12.94%
Other Income	111	349	337	352	506
Total Income	8,991	7,974	8,002	9,550	10,894
Total Income Growth %	31.05%	-11.31%	0.35%	19.35%	14.07%
Profit Before Interest, Depreciation and Tax (EBITDA)	3,988	2,697	2,511	3,331	3,920
EBITDA To Total Income	44.36%	33.82%	31.38%	34.88%	35.98%
EBITDA Growth %	38.33%	-32.37%	-6.90%	32.66%	17.68%
Interest	1	1	3	1	23
Depreciation	311	342	376	401	461
Profit Before Tax (PBT)	3,677	2,354	2,132	2,929	3,436
PBT Growth %	39.92%	-35.98%	-9.43%	37.38%	17.31%
Tax Expense	728	546	556	720	829
Profit After Tax (PAT)	2,949	1,808	1,576	2,209	2,607
PAT Growth %	50.84%	-38.69%	-12.83%	40.16%	18.02%
Dividend, Share Capital and Capital Employed					
Dividend Per Share %	1500%	1500%	1500%	1500%	1500%
Dividend Payout	796	796	796	797	797
Dividend Payout to PAT %	26.99%	44.03%	50.51%	36.08%	30.57%
Equity Share Capital	53	53	53	53	53
Other Equity	11,638	12,652	13,431	14,842	16,658
Net Worth	11,691	12,705	13,484	14,895	16,711
Net Worth Growth %	26.09%	8.67%	6.13%	10.46%	12.19%
Gross Fixed Assets	5,618	6,357	6,752	7,859	9,397
Net Fixed Assets	4,321	4,719	4,737	5,440	6,520
Total Assets (balance sheet total)	13,308	14,352	15,362	16,824	19,954
Key Financial Indicators					
Earnings Per Share (₹ 2/- each)	111.07	68.11	59.37	83.20	98.19
Cash Earnings Per Share (₹ 2/- each)	122.77	81.00	73.53	98.30	115.56
Total Income Per Share (₹ 2/- each)	339	300	302	360	410
Book Value Per Share (₹ 2/- each)	440	479	509	562	631
Total Debt To Equity	-	-	-	-	-
EBITDA / Total Income %	44.36%	33.82%	31.38%	34.88%	35.98%
Net Profit Margin % (PAT/Total Income)	32.80%	22.67%	19.70%	23.13%	23.93%
RoNW % (PAT/Net Worth)	25.22%	14.23%	11.69%	14.83%	15.60%

Closing the loop through advanced solvent recovery

We are among the few companies in the industry that recover and reuse solvents within the same process and stage. This closed-loop approach strengthens our commitment to green chemistry, reduces waste, and improves resource efficiency. It also gives Divi's a meaningful competitive advantage across both generic APIs and custom synthesis, supporting sustainable and inclusive growth.

ESG OVERVIEW

Purpose in Action

Our approach to ESG reflects how we choose to grow responsibly, with care for our people, communities and environment, ensuring that progress is meaningful, inclusive and sustained over the long term.

Advancing our sustainability goals

During the year, we recalibrated our 2030 sustainability targets, particularly across carbon and energy, to reflect our Science Based Targets initiative (SBTi) commitment and evolving stakeholder expectations. This strengthens our ESG roadmap with measurable goals that are consistent with global best practices.

Carbon Footprint

Our validated near-term and net-zero targets provide a clear decarbonisation pathway across our operations and value chain, supporting focussed action on emissions reduction, energy efficiency and long-term climate resilience.

Our goals

Near-term targets

- Reduce absolute Scope 1 and 2 GHG emissions by 58.8% by FY 2034 from the FY 2024 base year
- Reduce absolute Scope 3 GHG emissions by 35% within the same timeframe

Long-term targets

- Reduce absolute Scope 1 and 2 GHG emissions by 90% by FY 2050 from the FY 2024 base year
- Reduce absolute Scope 3 GHG emissions by 90% within the same timeframe

Overall net-zero target

- Reach net-zero greenhouse gas emissions across the value chain by FY 2050

(The target boundary includes land-related emissions and removals from bioenergy feedstocks.)

Progress during FY 2026

Reduced

~13,500 TCO_2e

of GHG emissions through targeted initiatives

Conserved

~8,290 GJ

of energy through targeted initiatives

Water Conservation

Water conservation remains a critical focus area, particularly in water-stressed regions where we operate. Our approach combines reduction, reuse and efficiency improvement.

Our goals

- Reduce ground and surface water intake by 30% by FY 2030
- Reduce overall water consumption by 25% by FY 2030
- Reduce water intensity by 25% by FY 2030

Progress during FY 2026

Conserved

~1,59,500 KL

of water through operational initiatives

Waste Management

We continue to embed waste reduction and responsible material usage into our manufacturing processes, with a growing focus on packaging sustainability.

Our goals

- Reduce waste disposal intensity by 25% by FY 2030
- Reduce plastic packaging usage

Progress during FY 2026

Reduced

~46 MT

of plastic packaging waste

Health and Safety

Ensuring a safe and healthy workplace is fundamental to our operating philosophy. Our safety systems are designed to prevent incidents while building a culture of accountability and continuous learning.

Our goals

- Maintain zero major fire, explosion, toxic gas leak, fatality and reportable lost time injury
- Maintain lost time injury (LTI) severity rate of not more than 0.3
- Deliver minimum 18 EHS training hours per employee per year

Progress during FY 2026

- Recorded zero major fire, explosion, toxic gas leak, fatality and reportable injuries
- Achieved LTI severity rate of 0.14, well below the target of 0.3
- Delivered average EHS training of 22 hours per employee per year

Number of Completed Initiatives

Conservation of natural resources

FY 2026	**51**
FY 2025	45
FY 2024	78

General improvements

FY 2026	**84**
FY 2025	77
FY 2024	114

Ergonomics

FY 2026	**68**
FY 2025	59
FY 2024	39

Environmental protection

FY 2026	**85**
FY 2025	77
FY 2024	92

Safety enhancements

FY 2026	**491**
FY 2025	486
FY 2024	405

Energy conservation

FY 2026	**49**
FY 2025	71
FY 2024	92

Sustainable Development Goals (SDGs) Impacted

Awards and Recognition

Excellence in Corporate Social Responsibility at the FAPCCI Excellence Awards 2025

Gold Award in Pharma Industries at the State Energy Conservation Awards 2025 by the Government of Andhra Pradesh

International Safety Award 2026 by the British Safety Council

CDP Score "B"
(Climate and Water Security)

ENVIRONMENT

Purpose Towards a Greener Future

At Divi's, environmental stewardship is closely linked to how we innovate, manufacture and grow. From improving resource efficiency and reducing emissions to advancing green chemistry and circularity, we strive to minimise our environmental footprint while creating long-term value. Our approach combines scientific rigour, operational discipline and measurable goals to support a greener future.

Reducing Carbon Footprint

- Use of biomass briquettes for boiler operations, reducing emissions by ~6,800 TCO_2e
- Installing Dissolved Oxygen (DO) analyser for biological aeration tank to optimise operation of the blowers, reducing emissions by ~190 TCO_2e
- Optimised utility usage by replacing brine with RT water for sub cooler, reducing emissions by ~60 TCO_2e
- Installed Variable Refrigerant Volume (VRV) type air conditioners instead of individual air conditioners, reducing emissions by ~70 TCO_2e

Water Conservation

- Using STP treated water as feed to RO plant in place of fresh water, conserving ~1,41,350 KL of water
- Increasing efficiency of cooling tower recirculation water, conserving ~7,200 KL of water
- Recovering and reusing of steam condensate water for boiler operations, conserving ~3,580 KL of water
- Utilising the air compressors air drying units condensate water as makeup water for cooling towers, conserving ~690 KL of water


Solar panels

Energy Management

- Installed LT capacitor panels with Automatic Power Factor Controllers (APFC), resulted in energy conservation of ~2,650 GJ
- Adopting energy efficient technologies and replacement of energy intensive equipment with energy efficient equipment, conserving ~1,370 GJ of energy
- Arranging oxygen analysers for process vessels, benefited us in reducing the nitrogen demand for equipment energisation, thereby conserving ~1,350 GJ of energy
- Installing Dissolved Oxygen (DO) analyser for biological aeration tank to optimise operation of the blowers, resulted in energy conservation of ~960 GJ

Waste Management

- Implementing process improvements through Green Chemistry Principles aided in improving recovery & reuse potential
- Established dedicated solvent recovery stations to enable the efficient reuse of solvents and minimise waste
- Reused final wash/rinse water for initial rinse steps in production processes, reducing freshwater consumption and overall waste
- Process solid residue sent by Divi's is reused as fuel (co-incineration) in cement industries


Biomass briquettes

SOCIAL – OUR EMPLOYEES

Powered By Our People

Our people strengthen our ability to grow responsibly, bringing together technical excellence, ownership, safety consciousness and shared purpose across every part of our organisation.

At Divi's, our people strategy is anchored in a simple belief: sustainable growth is possible only when people feel respected, empowered and included. We focus on building a workplace where employees are encouraged to take ownership, contribute ideas, make decisions and participate meaningfully in the Company's progress. Our leaders play an important role in shaping this culture by demonstrating accountability, transparency and integrity in everyday actions.

Our commitment to sustainable chemistry and responsible innovation gives our people a strong sense of purpose. Employees today increasingly seek to work with organisations whose impact extends beyond business performance. By contributing to human health, environmental responsibility and social progress, our teams find deeper meaning in their work. This shared purpose has helped us build pride, loyalty and an industry-leading retention culture.

Recognising and Rewarding Contribution

We have followed a progressive compensation philosophy for over three decades, with a structured approach that recognises contribution and remains competitive across geographies. Our compensation practices go beyond statutory requirements and are designed to reward performance, strengthen motivation and support long-term employee continuity.

Building an Inclusive and Equitable Workplace

We are committed to ensuring equal access to opportunity across the organisation. Our approach is guided by inclusive hiring, equal pay for equal roles and transparent career progression. Growth is based on merit, capability and contribution, irrespective of background, identity or personal circumstances. Through standardised selection processes, leadership development and structured training, we continue to support diverse talent across levels.

~90%
employee retention rate

~19,300
total employees

~9%
female employees

Supporting Women Through Every Career Stage

We aim to support women through practical measures that respond to their individual needs. During pregnancy, department heads work with team members to adjust responsibilities where required, reduce physical strain and limit exposure to occupational risks. For new mothers, return-to-work support is provided to make the transition back to the workplace smoother. These efforts have enabled job continuity while promoting greater satisfaction among women employees.

~90%
return-to-work rate for new mothers

~75%
retention of female employees post-maternity

Enabling Balance, Growth and Continuous Learning

At Divi's, we carefully plan manpower resource requirements to ensure employees do not have to work extended hours. Our strong focus on promoting work-life balance contributes to a conducive work environment, encouraging referrals for new hiring. Learning and development is actively supported through well-defined career paths as well as technical and leadership training programmes. Learning modules cover GMP, quality systems, soft skills and functional capabilities, enabling personal and professional growth.

Hiring with Transparency and Fairness

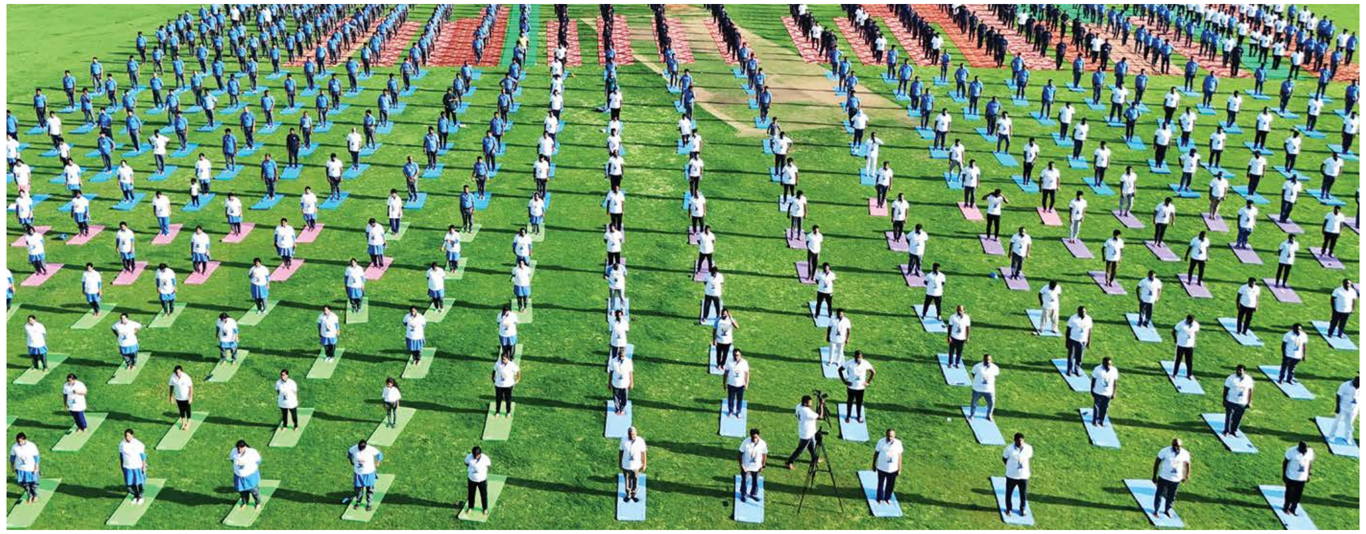
Our recruitment policy is standardised, merit-based and inclusive. Diversity at the workplace is promoted by attracting talent from different backgrounds, including underrepresented groups, persons with disabilities and experienced retirees. Our aim is to foster a workplace where different perspectives come together for a more balanced and informed decision-making, while ensuring fairness and transparency at every stage of hiring.

~30 years
average employee age

Safety, Health and Well-being

At Divi's, employee safety and well-being is a top priority. Our Environment, Health and Safety (EHS) management is ISO 45001 and ISO 14001 certified, reflecting strong governance and adherence to the highest global standards. Comprehensive risk assessments, including HIRA, HAZOP and LOPA, are undertaken at regular intervals. We also ensure that any changes, including those relating to materials, technology, equipment and operating procedures, are fully reviewed for EHS and compliance risks before implementation. Further, periodic internal audits are carried out by multi-disciplinary teams.

Additionally, physical and mental well-being is promoted through ergonomic workplace design, health and wellness initiatives and safety training. EHS targets are defined, measured and reviewed to reinforce accountability and best workplace practices.



FY 2026 EHS Highlights

~42.5 million
safe man-hours recorded

0.14
LTI severity rate, including first-aid cases

0 major
incidents involving fire, gas leak or fatality

~2,03,800
EHS training sessions conducted

~17,17,000
participations in EHS sessions

SOCIAL – OUR COMMUNITIES

Purpose in Action, Beyond Business

Our approach to community development is rooted in creating tangible, lasting impact where it matters most, anchored in the firm belief that progress must be inclusive.

Across regions surrounding our operations, we focus on strengthening essential systems that support everyday life, including education, healthcare, water access, infrastructure and livelihoods. Rather than fragmented interventions, our efforts are designed to build continuity, improve access, enable opportunity and support communities in becoming more resilient over time.

Promoting Education

We continued to invest in strengthening foundational education by improving access, enhancing infrastructure and supporting students across underserved and tribal regions.

Our initiatives focussed on upgrading school infrastructure, enabling access to learning materials and strengthening academic support systems. This included classroom development, sanitation facilities, laboratory modernisation and improved access to digital and physical learning resources. We also supported students through scholarships, additional teaching support and targeted academic interventions.

Alongside this, we continued to integrate health and well-being into school ecosystems through regular check-ups, ensuring that students are able to learn in environments that are both supportive and functional.

Impact snapshot

10,312
students covered through school health check-ups

9,785
students covered through eye screening camps

9,385
students received notebooks and school bags

~8,500
students benefited through hostel infrastructure support

2,504
students received Class 10 study material

Safe Drinking Water

Access to clean drinking water remains one of our most sustained and high-impact interventions. Over the years, we have built and expanded a wide network of water purification systems across communities, institutions and public spaces.

During the year, we continued to extend this network across hospitals, educational institutions and high-footfall community locations, while also ensuring maintenance and operational continuity of existing installations. These efforts are aimed at ensuring reliable access to safe drinking water in both rural and institutional settings.

Impact snapshot

1,711
RO plants across 1,407 locations till date

~12,79,440
beneficiaries per day

~19,000
beneficiaries at Andhra University

~70,450
daily beneficiaries at major government hospitals

Public Health

Our healthcare initiatives are focussed on improving access to essential services while promoting preventive care across communities.

During the year, we conducted health and screening camps, supported critical medical treatments and strengthened infrastructure across primary and community health centres as well as public hospitals. Interventions included provision of medical equipment, patient facilities and essential infrastructure to improve service delivery.

Impact snapshot

~54,000
beneficiaries through PHC infrastructure support

~30,000
people benefited through medical equipment support

~1,000
beneficiaries per day through hospital patient facilities

~600
people covered through eye camps

Village Development

Our village development initiatives are focussed on strengthening core infrastructure that supports daily living and local economic activity.

During the year, we supported the development of roads, irrigation systems, drainage infrastructure and public utilities. These interventions are designed to improve connectivity, enable agricultural productivity and enhance access to essential services. We also contributed to community infrastructure and public service facilities, helping strengthen institutional capacity at the grassroots level.

Impact snapshot

~17,500
beneficiaries through rural lighting initiatives

~13,670
beneficiaries through digital infrastructure support to panchayats

~5,000
beneficiaries through improved road connectivity

~3,000
farmers supported through irrigation infrastructure

~1,500+
beneficiaries across multiple village infrastructure initiatives

Swachh Bharat

Our sanitation initiatives are aligned with the Swachh Bharat mission and focus on improving hygiene and cleanliness at the community level.

During the year, we supported local sanitation systems through provision of cleaning materials, strengthening waste management practices and enabling community-led maintenance mechanisms. These interventions contribute to improved public hygiene and help reduce health risks associated with poor sanitation.

Impact snapshot

~1,82,000	~31,634
beneficiaries supported through sanitation initiatives	beneficiaries through waste management infrastructure support

Environmental Sustainability

Our environmental efforts are centred on strengthening green cover and encouraging responsible practices within communities.

During the year, we supported plantation drives, maintenance of green spaces and awareness initiatives that promote environmentally conscious behaviour. These initiatives contribute to improving local ecosystems while encouraging community participation in sustainability efforts.

Impact snapshot

~10,000	~2,000
beneficiaries through plantation initiatives	beneficiaries through eco-friendly awareness initiatives

Livelihoods and Women Empowerment

We continued to support livelihood creation by enabling skill development and promoting income-generating opportunities, particularly for women and rural communities.

Our initiatives focussed on vocational training, skill-building programmes and support for community-led economic activities. We also introduced alternative livelihood models, such as seaweed cultivation, to diversify income sources for coastal communities. In addition, infrastructure and capacity-building support was extended to strengthen traditional occupations such as fishing, improving both productivity and working conditions.

Impact snapshot

142	65	39	650	40
individuals trained in computer education	individuals trained in beauty therapy	individuals trained in maggam work / embroidery	beneficiaries supported through fishing infrastructure	women trained through tailoring programmes

Sports and Community Development

We supported grassroots sports initiatives to encourage participation, promote physical well-being and nurture local talent.

During the year, our efforts included development of playgrounds, organisation of sporting events and provision of equipment and infrastructure. These initiatives help create platforms for community engagement while supporting youth development.

Impact snapshot

~4,500
beneficiaries through playground development

~1,000
participants in state-level volley ball tournaments

512
players participated in Divi's Challengers Trophy

96
participants in women's Kabaddi league

~300
daily beneficiaries through children's play park

Animal Welfare

Our animal welfare initiatives focus on supporting rural livelihoods through improved livestock health and access to veterinary care.

During the year, we conducted veterinary camps and supported healthcare infrastructure, enabling access to essential services in areas where such facilities are limited.

Impact snapshot

~350
animals covered through veterinary camps

~750 per day
beneficiaries through veterinary infrastructure support

Inclusive Care and Child Development

Through Varnam Child Development Centre, we continue to support early identification, therapy and care for children with developmental needs. We also extend financial support to Divi's Foundation for Gifted Children.

The initiative focusses on strengthening systems for screening, awareness and intervention, while providing integrated support for children and their families. Our efforts are aimed at promoting inclusion and enabling better developmental outcomes.

varnam
CHILD DEVELOPMENT CENTRE
A unit of DIVI'S FOUNDATION FOR GIFTED CHILDREN

Impact snapshot

13,878
therapy sessions in the financial year 2025-26

120
children screened through developmental camps

80
families supported through multidisciplinary care

Disaster Response

We responded to the Montha cyclone by providing immediate relief through distribution of food and water to affected communities.

Impact snapshot

~27,800
beneficiaries supported through relief efforts

GOVERNANCE

Built on Trust and Integrity

Strong governance underpins our ability to create long-term value. We operate with a clear commitment to transparency, ethical conduct and responsible decision-making.

Board oversight and leadership

Our governance framework is designed to protect stakeholder interests, support sustainable growth and ensure that the Company is managed with discipline and accountability. The Board of Directors provides strategic direction and independent oversight of the Company's operations. It reviews performance, monitors emerging risks and ensures adherence to statutory and regulatory requirements. Regular Board discussions on strategy, capital allocation, compliance and risk enable timely and informed decisions that strengthen organisational resilience.

Governance philosophy

Our governance practices are guided by the principles of integrity, fairness, accountability and ethical leadership. These principles inform how we conduct business, engage with stakeholders and uphold regulatory expectations. We continue to refine our governance systems to align with evolving best practices and global benchmarks.

Board composition

Our Board comprises a balanced mix of Executive and Non-Executive Directors who bring diverse industry, financial, operational and governance experience. This combination supports objective judgement, strengthens oversight and enhances the quality of strategic guidance provided to the management team.

5
Executive Directors

5
Non-Executive Independent Directors

Diversity and capability

Board appointments are based on a comprehensive evaluation of expertise, leadership experience and strategic insight, supported by considerations of diversity, including gender representation. This approach ensures that the Board remains well equipped to address complex challenges and respond to changing market dynamics.

2
Women Directors

Strengthening governance systems

We continue to enhance internal controls, audit mechanisms and compliance processes to maintain organisational discipline. Regular reviews of policies, codes of conduct and risk management frameworks reinforce our culture of responsibility and ethical behaviour across all levels.

Expertise: Number of Directors with developed skillsets

8/10 Global business	**10/10** Governance
7/10 Technology	**10/10** Strategy, planning, and marketing
10/10 Leadership	**7/10** Legal, commercial, and financial
10/10 Sustainability and risk management	**10/10** Information Technology

Board Committees

The Board is supported by specialised committees that provide focussed oversight on key governance areas. Each committee operates within a defined mandate, enabling clear role delineation and effective execution of responsibilities. Committees report regularly to the Board on their activities and review their own performance to ensure continued alignment with their objectives and delegated authority.

Board of Directors and Committee positions held

M

Dr. Murali K. Divi
Managing Director

N. V. Ramana
Executive Director

M C M C

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

M M C

Prof. S. Ganapaty
Independent Director

C

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

M M

Nilima Prasad Divi
Whole-time Director (Commercial)

C M

K. V. Chowdary
Independent Director

M

Dr. Rajendra Kumar Premchand
Independent Director

M M

Dr. S. Devendra Rao
Whole-time Director (Manufacturing)

M M

Prof. Sunaina Singh
Independent Director

- Audit Committee
- Stakeholders Relationship Committee
- Risk Management and Sustainability Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee

C - Chairman **M** - Member

Corporate Information

Manufacturing Facilities

Unit 1: Hyderabad

Choutuppal Unit:
Lingojigudem Village,
Choutuppal Mandal,
Yadadri Bhuvanagiri, Telangana
PIN - 508252.

DC SEZ Unit:
Lingojigudem Village,
Choutuppal Mandal,
Yadadri Bhuvanagiri, Telangana
PIN - 508252.

Unit 2: Visakhapatnam

Export Oriented Unit:
Chippada Village,
Bheemunipatnam Mandal,
Visakhapatnam, Andhra Pradesh
PIN - 531163.

Divi's Pharma SEZ:
Chippada Village,
Bheemunipatnam Mandal,
Visakhapatnam, Andhra Pradesh
PIN - 531163.

DSN SEZ Unit:
Chippada Village,
Bheemunipatnam Mandal,
Visakhapatnam, Andhra Pradesh
PIN - 531163.

DCV SEZ Unit:
Chippada Village,
Bheemunipatnam Mandal,
Visakhapatnam, Andhra Pradesh
PIN - 531163.

Unit 3: Kakinada

Export Oriented Unit
Ontimamidi Village (Kona),
Thondangi Post, Thondangi Mandal,
Kakinada, Andhra Pradesh
PIN - 533408.

R&D Centres

B-34, Industrial Estate, Sanath Nagar,
Hyderabad. Telangana, PIN - 500018.

Lingojigudem Village,
Choutuppal Mandal,
Yadadri Bhuvanagiri, Telangana
PIN - 508252.

Chippada Village,
Bheemunipatnam Mandal,
Visakhapatnam, Andhra Pradesh
PIN - 531163.

Ontimamidi Village (Kona)
Tondangi Post, Tondangi Mandal,
Kakinada, Andhra Pradesh,
PIN - 533408.

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, Telangana, India,
PIN - 500032.
CIN: L24110TG1990PLC011854
Phone: +91 40 66966300
Fax: +91 40 66966460
E-mail: mail@divislabs.com
Website: www.divislabs.com

Statutory Auditors

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

Secretarial Auditors

V. Bhaskara Rao & Co.
Company Secretaries,
H. No. 6-3-347/1 & 2, Flat No. 104,
2nd Floor, Megasri Classics,
Dwarakapuri Colony
Punjagutta, 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: L72400MH2017PLC444072
Phone No.: 040-67161526,
Fax: 040-23001153
Toll Free No.: 1800 4258 998
E-mail: einward.ris@kfintech.com

Date, Time & Mode of 36th AGM

Monday, August 10, 2026 at 10 AM (IST)
Through Video Conferencing (VC)
Other Audio Visual Means (OAVM)

Business Responsibility & Sustainability Report

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 01, 2025 to March 31, 2026
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 Company Secretary & Compliance Officer cs@divislabs.com +91 40-66966352
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 Business Responsibility & Sustainability Report (BRSR) is on a standalone basis unless otherwise stated.
14.	Name of assessment or assurance provider	Bureau Veritas (India) Private Limited
15.	Type of assessment or assurance obtained	Reasonable assurance for BRSR core indicators.

II. Products/services

16. 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 Pharmaceuticals Ingredients, Intermediates and Nutraceuticals.	Manufacture of Active Pharmaceuticals Ingredients, Intermediates and Nutraceuticals.	100%

17. 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 Pharmaceuticals Ingredients, Intermediates and Nutraceuticals.	21009	100%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	4*	1	5
International	0	2	2

**The number of plants include the Company's 3 manufacturing facilities and a R&D center. The Company's Unit 3 manufacturing facility at Kakinada started its operations from January 01, 2025 and information related to the unit is included wherever required in the report effective from January 01, 2025.*

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	23
International (No. of countries)	80

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

89%

c. A brief on types of customers

Our customers include various Pharmaceutical and Nutraceutical companies across the globe.

IV. Employees

20. 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)
Employees						
1.	Permanent (D)	11,514	9,795	85.07	1,719	14.93
2.	Other than permanent (E)	605	582	96.20	23	3.80
3.	**Total employees (D + E)**	**12,119**	**10,377**	**85.63**	**1,742**	**14.37**
Workers						
4.	Permanent (F)	51	51	100	0	0
5.	Other than permanent (G)	7,122	7,117	99.93	5	0.07
6.	**Total workers (F + G)**	**7,173**	**7,168**	**99.93**	**5**	**0.07**

b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C/A)
Differently abled employees						
1.	Permanent (D)	17	15	88.24	2	11.76
2.	Other than permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	**17**	**15**	**88.24**	**2**	**11.76**
Differently abled workers						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	10	10	100	0	0
6.	**Total differently abled workers (F + G)**	**10**	**10**	**100**	**0**	**0**

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of females	
		No. (B)	% (B / A)
Board of Directors	10	2	20.00
Key Management Personnel*	7	1	14.28

** Including 5 Executive Directors.*

22. Turnover rate for permanent employees and workers:

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9.56%	13.94%	10.21%	7.37%	13.28%	8.26%	8.11%	14.64%	9.05%
Permanent Workers	1.85%	0	1.85%	1.74%	0	1.74%	0	0	0

V. Holding, subsidiary and associate companies (including joint ventures)

23. (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	Divis Laboratories (USA) Inc., New Jersy, USA.	Subsidiary	100%	No
2	Divi's Laboratories Europe AG, Basel, Switzerland	Subsidiary	100%	No

VI. CSR details

24. (i) Whether CSR is applicable as per Section 135 of the Companies Act, 2013: Yes

(ii) Turnover: ₹10,388 crore

(iii) Net worth: ₹16,711 crore

VII. Transparency and disclosures compliances

25. 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 2025-26			FY 2024-25		
		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	0	0		0	0	-
Shareholders	Yes*	102	0		79	0	-
Employees and workers	Yes*	0	0		0	0	-
Customers	Yes*	35	6		49	5	-
Value chain partners	Yes*	0	0		0	0	-
Other (please specify)	-	-	-		-	-	-

** 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.

 # Pending complaints at the end of relevant period were/are being redressed as per the standard operating procedure and are/will be closed in due course.

26. 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 must ensure uninterrupted and 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 if not managed properly 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. We are certified for ISO 14001 Environment Management System.	Environmental risks may result in negative financial implications.
3	Water management	R	Water management is crucial for the Company's operations from the perspective of protection and conservation of the natural resource and cost effectiveness.	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 utilize seawater for selected operations.	Water management risks may result in negative financial implications apart from scarcity of this resource.
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 response in the communities it operates.
5	Waste management	R	Manufacturing of products requires abundant quantities of raw materials and proper management of waste generated.	We are managing risks associated with Waste management through implementation and strengthening of recycle and reuse programmes. 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.
6	Climate change	R	Increased levels of Green House Gas emissions may pose harmful effects to environment, human health and associated risks.	We are mitigating climate change risks by reducing the dependency on fossil fuel sources and focusing on renewable sources for power and heat energy. We have taken various initiatives to reduce GHG emissions from our operations. We have got approved by SBTi for both near term and net zero targets. Our GHG footprint is being verified by external agency as per ISO 14064-1 on annual basis. The Carbon Footprint of a Product (CFP) assessment for two selected products is being verified by an external agency in line with ISO 14067:2018.	Climate change risks may result in negative financial implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
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 by the respective Executive Director as authorized by the Board.								
c. Web Link of the Policies, if available	(Click on policy for web access if available on the Company website i.e. www.divislabs.com) P1 to P9 (excluding P7) - Code of Ethics and Business Conduct P1 - Whistle Blower Policy P2 - Supplier Code of Conduct, Sustainable procurement policy P3 to P5 - Labour and Human Rights Policy P4 & P8 - Corporate Social Responsibility Policy P6 – Environmental, Health and Safety Policy, Environmental Sustainability Policy P7 – NA P9 - Information Security Policies (available on our intranet)								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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, ISO 14001 ISO 9001 ISO 14067	ISO 45001			ISO 14001, ISO 45001 ISO 14064, G.M.P & G.L.P certification	-	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.

We are committed to Science Based Targets initiative (SBTi) for both Near term and Net-Zero targets and our targets were validated by SBTi.

Carbon footprint:

Near Term Targets:	Long-Term Targets:
• To reduce absolute scope 1 and 2 GHG emissions 58.8% by FY 2034 from FY 2024 base year. • To reduce absolute scope 3 GHG emissions 35% within the same timeframe. *	• To reduce absolute scope 1 and 2 GHG emissions 90% by FY 2050 from FY 2024 base year. • To reduce absolute scope 3 GHG emissions 90% within the same timeframe. *

Overall Net-Zero targets:

Divi's Laboratories Limited commits to reach net-zero greenhouse gas emissions across the value chain by FY 2050.

**The target boundary includes land-related emissions and removals from bioenergy feedstocks.*

In addition to these commitments, there are specific targets on Water Conservation, Waste Management aimed to achieve by 2030, Health and Safety targets for FY 2026 as detailed below:

Water Conservation for FY 2030:	Waste Management for FY 2030:
• Reduce ground water & surface water intake by 30%. • Reduce water consumption by 25%. • Reduce intensity-based water consumption by 25%.	• Reduce intensity-based waste disposal by 25%. • Reduce plastic waste using for packing.

Health and Safety Targets for FY 2026:

- No major fire, explosion, toxic gas leak; No fatality & reportable lost time injury.
- Lost time injury severity (LTIs) rate of not more than 0.3.
- Minimum 18 EHS training hours per employee per year.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.

Our sustainability targets for 2030 have been revised with respect to carbon footprint and energy conservation in line with the aforementioned SBTi targets.

Performance against specific commitments and targets during the year is as follows:

Carbon footprint:	Water Conservation:
• ~13,500 TCO_2e GHG emissions were reduced with the initiatives taken during FY 2025-26. • ~8,290 GJ of energy is conserved with the initiatives taken during FY 2025-26.	• ~1,59,500 KL of water was conserved with the initiatives taken during FY 2025-26. **Waste Management:** • ~ 46 MT of plastic packaging waste was reduced.

Health and Safety Targets:

- No major fire, explosion, toxic gas leak, fatality and reportable injuries have occurred during FY 2025-26.
- Lost time injury severity (LTIs) rate for FY 2025-26 is 0.14 that is well below the target of 0.3.
- Average EHS training hours per employee per year is ~21 Hours 50 min.

Governance, leadership and oversight

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):

At Divi's, sustainability is fundamental to our business operations. In addition to our internal sustainability targets, we have received approval from the Science Based Targets initiative (SBTi) for both our Near-Term and Net-Zero targets, reinforcing our commitment to climate action and long-term value creation.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Dr. S. Devendra Rao Whole-time Director (Manufacturing) DIN: 10481393 Email: cs@divislabs.com; Tel: +91 40-66966352
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, the Risk Management and Sustainability Committee oversees the Environment, Social and Governance related topics.

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by director / committee of the Board/ any other Committee and frequency
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.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	No	Yes, Bureau Veritas (India) Private Limited, TUV SUD	Yes, Bureau Veritas (India) Private Limited	No	No	Yes, Bureau Veritas (India) Private Limited	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

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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)	4	Familiarization programmes 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%
Key Managerial Personnel (KMP)			
Employees other than BoD and KMPs	2,785	In addition to on-the-job training programmes, all the employees including workers underwent trainings which include topics covering principles P1-6, P8, P9.	100%
Workers			

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 Requirements) 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				
	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 extends to its stakeholders, viz., suppliers, customers, employees, etc. Weblink: https://www.divislabs.com/wp-content/uploads/2025/07/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 2025-26	FY 2024-25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

	FY 2025-26		FY 2024-25	
	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

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2025-26	FY 2024-25
Number of days of accounts payables	94	84

9. **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of purchases	a. Purchases from trading houses as % of total purchases	14.69%	20.54%
	b. Number of trading houses where purchases are made from	655	731
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	42.86%	46.86%
Concentration of sales	a. Sales to dealers / distributors as % of total sales	4.91%	4.39%
	b. Number of dealers / distributors to whom sales are made	2	2
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	100%	100%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties / Total Sales)	4.91%	4.39%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	9.62%	10.12%

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, the Board of Directors and Members of the Company, wherever applicable. 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/2025/10/Code-of-Ethics-and-Business-Conduct_06.08.2025.pdf

Policy on Related Party Transactions: https://www.divislabs.com/wp-content/uploads/2025/07/Policy-on-Related-Party-Transactions.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 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	100%	100%	The expenditure towards R&D is aimed at improving environmental and social impacts, such as reduction in emission and waste generation, conservation of energy and water.
Capex	7.90%	4.68%	With the investments in specific technologies to improve the environmental and social impacts of product and processes during the year, the Company was able to reduce ~13,500 TCO_2e emissions, conserve ~1,59,500 KL of water and ~8,290 GJ of energy.

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 Divi's, we are striving for sustainability across all functions of our organization 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 minimize their environmental impact and deliver community benefits, in relation to their own operations, and throughout the supply chains in which they operate. About 54.52% value of our purchases are sourced from vendors who embraced our sustainable procurement policy.

3. **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.**

Divi's has established systematic processes to manage end-of-life materials in compliance with applicable waste management rules. Plastic and packaging wastes are segregated at source and disposed of through authorized recyclers as per the Plastic Waste Management Rules. Initiatives include reducing single-use plastics and engaging vendors for sustainable alternatives. E-waste from IT and laboratory equipment is collected, recorded and handed over to CPCB-authorized recyclers under the E-Waste (Management) Rules. Hazardous wastes such as spent solvents, residues and ETP sludge are managed under the Hazardous and Other Wastes Rules. Solvent recovery units enable reuse, while residual wastes are sent to authorized TSDFs. Non-hazardous wastes are segregated and recycled or composted through authorized vendors, minimizing landfill disposal. Continuous monitoring and audits ensure regulatory compliance and circular resource utilization across operations.

4. **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 minimize 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 with authorized recyclers. Our waste collection plan is in line with the EPR plan submitted to PCB.

Leadership indicators

1. **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?**

We have conducted Life Cycle Assessments (LCA) internally for Climate Change category for the below products:

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
210	Naproxen Sodium	4.95%	Cradle to Grave	No*	No
210	Levetiracetam	3.24%	Cradle to Grave	No*	No
210	Valsartan	4.98%	Cradle to Grave	No	No

** The assessment was carried out by in-house Subject Matter Expert team and independently verified by external agency as per ISO 14067: 2018.*

2. **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.**

There were no significant social or environmental concerns identified in LCA.

3. **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.

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Toluene	~94.3%	~87.3%
Nitrobenzene	~93.6%	~92.6%

4. **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.

5. **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

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

Category	Total (A)	% of employees covered by									
		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)
Permanent employees											
Male	9,795	9,795	100	9,795	100	NA	NA	0	0	9,795	100
Female	1,719	1,719	100	1,719	100	1,719	100	NA	NA	1,719	100
Total	**11,514**	**11,514**	**100**	**11,514**	**100**	**1,719**	**100**	**0**	**0**	**11,514**	**100**
Other than permanent employees											
Male	582	582	100	582	100	NA	NA	0	0	582	100
Female	23	23	100	23	100	23	100	NA	NA	23	100
Total	**605**	**605**	**100**	**605**	**100**	**23**	**100**	**0**	**0**	**605**	**100**

NA: Not Applicable

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

Category	Total (A)	% of workers covered by									
		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)
Permanent workers											
Male	51	51	100	51	100	NA	NA	0	0	51	100
Female	0	0	0	0	0	0	0	NA	NA	0	0
Total	**51**	**51**	**100**	**51**	**100**	**0**	**0**	**0**	**0**	**51**	**100**
Other than permanent workers											
Male	7,117	7,117	100	7,117	100	NA	NA	0	0	7,117	100
Female	5	5	100	5	100	5	100	NA	NA	5	100
Total	**7,122**	**7,122**	**100**	**7,122**	**100**	**5**	**100**	**0**	**0**	**7,122**	**100**

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format.**

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company	0.32%	0.19%

2. **Details of retirement benefits, for Current Financial Year and Previous Financial Year.**

Benefits	FY 2025-26			FY 2024-25		
	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	22.95	79.71	Y	25.50	81.80	Y
Others -please specify	-	-	-	-	-	-

3. **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.

4. **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.divislabs.com/wp-content/uploads/2025/10/Code-of-Ethics-and-Business-Conduct_06.08.2025.pdf.

5. **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	88.70%	75.37%	NA	NA
Total	**88.70%**	**75.37%**	**NA**	**NA**

6. **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. 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. 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 https://www.divislabs.com/wp-content/uploads/2025/07/WhistleBlowerPolicy.pdf.
Other than permanent workers	Yes	
Permanent employees	Yes	
Other than permanent employees	Yes	

7. **Membership of employees and worker in association(s) or unions recognized by the listed entity:**

Category	FY 2025-26			FY 2024-25		
	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	**11,514**	**Nil**	**0**	**10,485**	**Nil**	**0**
Male	9,795	Nil	0	8,903	Nil	0
Female	1,719	Nil	0	1,582	Nil	0
Total permanent workers	**51**	**Nil**	**0**	**57**	**Nil**	**0**
Male	51	Nil	0	57	Nil	0
Female	0	Nil	0	0	Nil	0

8. **Details of training given to employees and workers:**

Category	FY 2025-26					FY 2024-25				
	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)
Employees										
Male	10,377	10,377	100	10,377	100	9,583	9,583	100	9,583	100
Female	1,742	1,742	100	1,742	100	1,693	1,693	100	1,693	100
Total	**12,119**	**12,119**	**100**	**12,119**	**100**	**11,276**	**11,276**	**100**	**11,276**	**100**
Workers										
Male	7,168	7,168	100	7,168	100	7,023	7,023	100	7,023	100
Female	5	5	100	5	100	6	6	100	6	100
Total	**7,173**	**7,173**	**100**	**7,173**	**100**	**7,029**	**7,029**	**100**	**7,029**	**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 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	9,795	9,795	100	8,903	8,903	100
Female	1,719	1,719	100	1,582	1,582	100
Total	**11,514**	**11,514**	**100**	**10,485**	**10,485**	**100**
Workers						
Male	51	51	100	57	57	100
Female	0	0	0	0	0	100
Total	**51**	**51**	**100**	**57**	**57**	**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. The Company has implemented Occupational Health and Safety Management System aligned with ISO 45001:2018 covering all manufacturing facilities, research centre, offices for both permanent employees and contractual employees; and the same has been certified with 100% coverage of our operations. The system includes hazard identification, risk assessment, safety training, emergency preparedness, and regular internal and external audits to ensure continual improvement.

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

The Company follows a structured process to identify work-related hazards and assess the risks across its operations. It includes both routine and non-routine activities and is aligned with requirements of Occupational Health and Safety Management System (ISO 45001:2018). 100% of our employees and workers were given training on Health and Safety at the workplace. Qualified EHS personnel leads Hazard Identification and Risk Assessments (HIRA) to evaluate and reduce hazards to As Low As Reasonably Practicable (ALARP) levels, following a structured hierarchy of controls. For high-hazard and safety-critical processes, Layer of Protection Analysis (LOPA) is applied to assess the adequacy of existing safeguards and determine the need for additional protection measures. As part of implementation of Process safety management (PSM), Pre-Start-up Safety Reviews (PSSR) were conducted for prior to commissioning new/ modified facilities, Management of Change (MOC) to evaluate risks from process or equipment modifications, etc.

The Company also implemented Permit-to-Work (PTW) and Lockout / Tagout (LOTO) systems for safe execution of work under controlled risk conditions. The Company conducts incident and near-miss investigations to identify root causes and implement corrective and preventive actions to prevent reoccurrence of the incidents. Regular safety inspections and periodical internal and external audits are conducted to monitor compliance with system requirements. Any deviations identified are promptly addressed through corrective actions. Regular Industrial Hygiene monitoring assessments conducted to evaluate workplace conditions and potential health hazards, ensuring safe and healthy workplace for our employees and workers.

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

Yes. The Company has formulated a formal mechanism for both employees and workers to identify and report work-related hazards and withdraw from unsafe conditions without fear of retaliation. Workers can report hazards, unsafe conditions or near-misses through near-miss reporting and incident reporting systems and suggest necessary actions. Safety Committee is constituted with participation from equal number of employees & workers and quarterly meetings are conducted to share concerns related to OH&S hazards and actions necessary to mitigate those hazards. These processes ensure transparent communication, prompt risk mitigation, and promote a culture of shared responsibility for workplace safety.

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

Yes. Employees and workers have access to non-occupational medical and healthcare services, including on-site Occupational Health Centers (OHC), periodical health check-ups and referral support to local hospitals and wellness programs. The on-site OHC facilities have qualified personnel and materials necessary to meet the fundamental first aid needs of both occupational and non-occupational health services.

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

Safety incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.29	0.12
	Workers	0.34	0.73
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

Note: LTIFR is calculated considering the first aid cases also.

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The Company is committed to maintain a safe, healthy and sustainable workplaces across all its manufacturing facilities, corporate office and R&D facilities. The Company has implemented Occupational Health and Safety Management System aligned with requirements of ISO 45001:2018. EHS policy promotes the elimination/ minimizations of OH&S risks by providing safe and healthy working conditions for prevention of work-related injury or ill health. Comprehensive hazard identification and risk analyzing techniques i.e. HAZOP, HIRA, LOPA etc. and mitigation strategies through incorporating hierarchy of controls are in place. The outcome of the assessments was communicated to personnel involved in respective area/ process for which these assessments were carried out. Regular safety trainings are conducted for employees and workers on identifying unsafe acts & unsafe conditions, near-misses, emergency handling procedures, protective equipment usage, etc. The Company also has comprehensive response plans for fires, toxic gas leak and chemical spills emergencies, supported by Emergency response plans, Fire safety drills, & evacuation procedures, etc. and first-aid readiness.

The Company undertakes periodic internal and external audits to assess the safety practices and procedures in alignment with the EHS management system. Regular Industrial Hygiene monitoring assessments are conducted to evaluate workplace conditions and potential health hazards, ensuring a safe and healthy workplace for employees and workers. The Company fosters a strong safety culture through leadership engagement, employee participation, safety committees and continuous training.

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

	FY 2025-26			FY 2024-25		
	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.**

There have been no safety-related incidents or significant risks/concerns arising from assessments of health and safety practices or working conditions during the reporting period. Divi's continues to maintain a robust Occupational Health and Safety Management System (OHSMS), ensuring routine hazard identification, risk assessments, and preventive measures are effectively implemented across all operations.

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).**

(A) Employees: Yes

(B) Workers: Yes

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 peruses 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 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
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 ~ 54.52% of our supply chain partners by value 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 recognize 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 & marginalized 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/ Marginalized 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, prioritized, and implemented in consultation with relevant stakeholders.

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

   The Company serves the needs of underserved communities through its CSR initiatives, which are designed and implemented to create sustainable impact. The respective departmental heads are empowered to lead these initiatives and engage with vulnerable and marginalized stakeholder groups, as required. Through systematic stakeholder engagement, community needs are identified and addressed through wellplanned and strategic CSR interventions. The impact of CSR projects is periodically assessed to enable continuous improvement and drive longterm sustainable outcomes.

   Our Corporate Social Responsibility (CSR) activities primarily focusing on rural transformation, health, education, livelihood enhancement, women empowerment, disaster management, safe drinking water, and environmental sustainability.

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 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	11,514	11,514	100	10,485	10,485	100
Other than permanent	605	605	100	791	791	100
Total employees	**12,119**	**12,119**	**100**	**11,276**	**11,276**	**100**
Workers						
Permanent	51	51	100	57	57	100
Other than permanent	7,122	7,122	100	6,972	6,972	100
Total workers	**7,173**	**7,173**	**100**	**7,029**	**7,029**	**100**

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

Category	FY 2025-26					FY 2024-25				
	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)
Employees										
Permanent	**11,514**	**0**	**0**	**11,514**	**100**	**10,485**	**0**	**0**	**10,485**	**100**
Male	9,795	0	0	9,795	100	8,903	0	0	8,903	100
Female	1,719	0	0	1,719	100	1,582	0	0	1,582	100
Other than permanent	**605**	**0**	**0**	**605**	**100**	**791**	**0**	**0**	**791**	**100**
Male	582	0	0	582	100	680	0	0	680	100
Female	23	0	0	23	100	111	0	0	111	100
Workers										
Permanent	**51**	**0**	**0**	**51**	**100**	**57**	**0**	**0**	**57**	**100**
Male	51	0	0	51	100	57	0	0	57	100
Female	0	0	0	0	100	0	0	0	0	100
Other than permanent	**7,122**	**0**	**0**	**7,122**	**100**	**6,972**	**0**	**0**	**6,972**	**100**
Male	7,117	0	0	7,117	100	6,966	0	0	6,966	100
Female	5	0	0	5	100	6	0	0	6	100

3. **Details of remuneration/salary/wages:**

   a. **Median remuneration / wages:**

	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	4,301.97	1	3,478.33
Independent Directors*	4	33.50	1	29.00
Key Managerial Personnel#	2	139.02	0	0
Employees other than BoD and KMP	9,789	5.46	1,718	4.37
Workers	51	11.36	0	0

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

#Other than Executive Directors.

   b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	9.20%	9.30%

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 2025-26			FY 2024-25		
	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. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. **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.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

10. **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	-

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 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 in the reporting period did not undertake any Human Rights due diligence.

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 your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual harassment	Assessment of value chain partners has commenced and ~54.52% of our supply chain partners by value 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 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A)	40,964 GJ	23,267 GJ
Total fuel consumption (B)	44,169 GJ	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	85,133 GJ	23,267 GJ
From non-renewable sources		
Total electricity consumption (D)	18,78,271 GJ	17,48,555 GJ
Total fuel consumption (E)	35,31,567 GJ	31,88,224 GJ
Energy consumption through other sources (F)	2,358 GJ	2,081 GJ
Total energy consumed from non-renewable sources (D+E+F)	54,12,196 GJ	49,38,860 GJ
Total energy consumed (A+B+C+D+E+F)	54,97,329 GJ	49,62,127 GJ
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.0000529	0.0000539
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)#	0.0010766	0.0010832
Energy intensity in terms of physical output	83.52 GJ/MT	78.32 GJ/MT

 # The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF- for India. (Ref: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND).

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) Private Limited.

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 2025-26	FY 2024-25
Water withdrawal by source (in kiloliters)		
(i) Surface water	9,53,382	9,55,439
(ii) Groundwater	8,80,887	8,92,831
(iii) Third party water	23,261	27,470
(iv) Seawater / desalinated water	9,05,159	9,19,563
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	27,62,689	27,95,303
Total volume of water consumption (in kiloliters)	36,55,825	34,83,162
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.0000352	0.0000379
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) #	0.0007159	0.0007603
Water intensity in terms of physical output	55.54 Kl/MT	54.98 Kl/MT

 # The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF- for India. (Ref: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND).

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) Private Limited.

4. **Provide the following details related to water discharged:**

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kiloliters)		
(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	4,37,108	4,08,910
- No treatment	0	0
- With treatment – Secondary treatment	4,37,108	4,08,910
(iv) Sent to third-parties	4,588	1,608
- No treatment - Sent to common effluent treatment plant (CETP)	4,588	1,608
- With treatment – please specify level of treatment	0	0
(v) Others	4,211	4,297
- No treatment	0	0
- With treatment – Primary Treatment	4,211	4,297
Total water discharged (in kiloliters)	**4,45,907**	**4,14,815**

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) Private Limited.

5. **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 implemented a ZLD system at Unit-I, Telangana, covering all industrial effluents and domestic wastewater. The system includes advanced treatment technologies, RO permeate reuse, STP-treated water reuse, and continuous online monitoring with real-time data reporting to the Pollution Control Board. The ZLD system ensures regulatory compliance, sustainable water management, and efficient resource utilization.

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

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx#	Tons	134.37	129.88*
SOx#	Tons	103.88	91.31*
Particulate matter (PM)#	mg/m³ (average)	47.04	32.12
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

#NOx, SOx and PM air emission details are from the boiler stacks.

**NOx, SOx emissions for FY 2024-25 were amended w.r.t change in accounting methodologies.*

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, stack emission analysis has been carried out by SV Enviro labs and consultants.

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	3,71,697	3,39,941
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	3,78,516	3,57,810
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MT CO_2e/ Rupees	0.0000072	0.0000076
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)# (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	MT CO2e/ per rupee adjusted for PPP	0.0001469	0.0001523
Total Scope 1 and Scope 2 emission intensity in terms of physical output	MTCO_2e/MT	11.40	11.01

 # The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF- for India. (Ref: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND).

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) Private Limited.

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

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

~13,500 TCO_2e emissions were reduced with the initiatives taken during FY 2025-26.

Key initiatives are:

- Use of biomass briquettes for boiler operations.
- Installing Dissolved Oxygen (DO) analyzer for biological aeration tank to optimize operation of the blowers.
- Optimized utility usage by replacing brine with RT water for sub cooler.
- Arranging Oxygen Analyzers to process vessels.
- Recovering and reusing of steam condensate for boiler operations.
- Installing LT capacitor bank panel with automatic power factor controllers to reduce power losses.
- Installed Variable Refrigerant Volume (VRV) type air conditioners instead of individual air conditioners.
- Implementing green chemistry principles in process operation.
- Adopting energy efficient equipment and technologies.

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

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	886.43	539.68
E-waste **(B)**	5.00	8.67
Bio-medical waste **(C)**	0.83	0.48
Construction and demolition waste **(D)**	4,101.04	3,626.24
Battery waste **(E)**	25.90	39.60
Radioactive waste **(F)**	0	0
Other Hazardous waste. Please specify, if any. **(G)**	1,17,544.50	1,34,821.12
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	28,996.55	26,401.11
Total (A+B + C + D + E + F + G+ H)	**1,51,560.25**	**1,65,436.90**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000015	0.0000018
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)# (Total waste generated / Revenue from operations adjusted for PPP)	0.0000297	0.0000361
Waste intensity in terms of physical output	2.30 MT/MT	2.61 MT/MT
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	58,125.30	76,957.43
(ii) Re-used	39,034.15	41,855.60
(iii) Other recovery operations	36,136.45	32,319.05
Total	**1,33,295.90**	**1,51,132.08**

Parameter	FY 2025-26	FY 2024-25
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	38.99	31.74
(ii) Landfilling	15,530.96	14,960.43
(iii) Other disposal operations	0.83	0.045
Total	**15,570.78**	**14,992.22**

 # The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF- for India. (Ref: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND.)

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) Private Limited.

10. 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 Company has established robust and compliant Standard Operating Procedures outlining handling procedures for various types of wastes across its facilities. The approach emphasizes waste minimization at source, segregation, recycle, reuse, co-processing and safe disposal in line with all applicable waste management rules. Hazardous waste such as mixed spent solvents, organic residues, ETP sludge, spent carbon, process salts are collected & stored in designated, impervious areas with secondary containment and sent to either authorized cement industries for co-processing (for use as an alternative fuel), recyclers or CPCB/ SPCB-authorized Treatment, Storage and Disposal Facilities (TSDFs) for safe disposal of waste.

During 2025-26, ~86% of hazardous waste is sent for co-processing and recyclers. Plastic/packaging waste and E-waste is sent to authorized recyclers. Battery waste is sent to authorized recyclers. Fly ash is sent to brick manufacturers.

Divi's follows the principles of green chemistry for developing 'environmentally benign' processes that maximize resource efficiency and reduce the usage of hazardous and toxic chemicals in its manufacturing processes. Dedicated solvent recovery systems are used to recover and reuse mixed solvents for multiple cycles, significantly reducing the volume of fresh chemical procurement and minimizing waste generation. The Company adopted slurry transfer methods and reuses final rinse water for initial wash steps to reduce chemical and water intensity. Th Company conducts continuous training programs for employees to promote safe handling and storage practices. Continuous monitoring of waste generation trends, benchmarking against industry best practices and adoption of new cleaner technologies form part of Divi's long-term strategy to reduce its environmental footprint and align with its commitment to sustainable and responsible manufacturing.

11. 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.

12. 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.

13. 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. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

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

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	12,00,799	8,96,952
Total Scope 3 emissions per rupee of turnover	MT CO_2e/ Rupees	0.00001156	0.00000975
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	MT CO_2e/ MT	18.24	14.16

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) Private Limited

3. With respect to the ecologically sensitive areas reported at Question 11 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.

Not applicable, as none of our facilities are located in/ near ecologically sensitive areas.

4. 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	Key initiatives: • Use of biomass briquettes for boiler operations. • Installing Dissolved Oxygen (DO) analyzer for biological aeration tank to optimize operation of the blowers. • Optimized utility usage by replacing brine with RT water for sub cooler.	~13,500 TCO_2e emissions were reduced with the initiatives taken during the reporting period.
02	Water management	Key initiatives: • Using STP treated water as feed to RO plant in place of fresh water. • Increasing efficiency of Cooling tower recirculation water. • Recovering and reusing of steam condensate water for boiler operations. • Utilizing the air compressors air drying units condensate water as makeup water for cooling towers.	~1,59,500 KL of water was conserved with the initiatives taken during the reporting period.
03	Energy management	Key initiatives: • Installing Dissolved Oxygen (DO) analyzer for biological aeration tank to optimize operation of the blowers. • Arranging oxygen analyzers for process vessels, benefited us in reducing the nitrogen demand for equipment energization. • Installed LT capacitor panels with Automatic Power Factor Controllers (APFC). • Adopting energy efficient technologies and replacement of energy intensive equipment with energy efficient equipment.	~8,290 GJ of energy was conserved with the initiatives taken during the reporting period.
04	Waste management	Key initiatives: • Implementing process improvements through Green Chemistry Principles aided in improving recovery & reuse potential. • Established dedicated solvent recovery stations to enable the efficient reuse of solvents and minimize waste. • Reused final wash/rinse water for initial rinse steps in production processes, reducing fresh water consumption and overall waste. • Process solid residue sent by Divi's is reused as fuel (co-incineration) in cement industries.	~46 MT of plastic waste was reduced with the initiatives taken during the reporting period.

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

Yes. Divi's Laboratories Limited has implemented a comprehensive Business Continuity and Disaster Management Plan across all critical operations. The plan covers risk assessment, emergency preparedness and recovery strategies for natural disasters, fire, process disruptions, IT failures, and pandemics. Critical processes and resources are prioritized, with backup systems, alternate facilities, and trained response teams in place. Regular mock drills, audits, and reviews ensure readiness and continuous improvement. The plan ensures minimal operational downtime, safety of employees and continuity of supply to customers.

6. 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.

7. 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 ~54.52% of our supply chain partners by value have responded to participate in our assessment.

8. How many Green Credits have been generated or procured:

a. By the listed entity: Nil

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners:

Data is currently not available. The Company will seek necessary information from value chain partners for future year's reporting.

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 7 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.	Confederation of Indian Industry	National
3.	Pharmaceuticals Export Promotion Council of India	National
4.	Bulk Drug Manufacturers Association	National
5.	National Fire Protection Association	National
6.	Swiss-India Chamber of Commerce	International
7.	Federation of Telangana Chambers of Commerce and Industry	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 and also an effective whistle blower policy at corporate level.

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

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	22.08 %	16.82%
Directly from within India	71.27%	63.78%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2025-26	FY 2024-25
Rural	71.94%	72.08%
Semi-urban	20.38%	21.31%
Urban	7.68%	6.61%
Metropolitan	0	0

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

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 ₹ Crores)
1	Andhra Pradesh	Alluri Sitharamaraju	0.26

3. a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?**

   No

   b) **From which marginalized /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 marginalized groups
1	Safe Drinking Water	12,79,440 per day	Our CSR initiatives are implemented with an objective to reach out to the vulnerable and marginalized communities, including persons with disabilities, elderly, women and children from the less privileged socio-economic sections of the society.
2	Village Development	1,31,350	
3	Swachh Bharat	1,82,000	
4	Promoting Education	1,10,229	
5	Environment Sustainability	30,600	
6	Promoting Rural Sports	1,742	
7	Livelihood Enhancement Projects	443	
8	Support to Differently Abled	202	
9	Empowering Woman	13	
10	Animal Welfare	1,100	
11	Disaster Management	27,800	
12	Public Health	85,650	

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

Essential indicators

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

   Divi's manufactures Active Pharmaceutical Ingredients (APIs), API Intermediates, Nutraceuticals, and supplies them to customers for further manufacturing to make respective finished dosage products. Being a Business-to-business (B2B) Company, we deal with relatively small number of large customers. 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.

2. **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	

3. **Number of consumer complaints in respect of the following:**

	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
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	-

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	-
Forced recalls	Nil	-

5. **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 27001. The policies are shared with the relevant stakeholders and are also available on the intranet platform of the Company.

6. **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.**

   No corrective actions were warranted during the year, as no issues or instances as stated above have occurred during the year under review.

7. **Provide the following information relating to data breaches:**

   a) Number of instances of data breaches along-with impact: Nil

   b) Percentage of data breaches involving personally identifiable information of customers: 0%

   c) Impact, if any, of the data breaches: Not applicable

Leadership indicators

1. **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.divislabs.com/.

2. **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.

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

   Divi's manufactures Active Pharmaceutical Ingredients (APIs), API Intermediates, Nutraceuticals and supplies to customers for further manufacturing to make respective finished dosage products. Being a Business-to-business (B2B) company, we deal with relatively small number of large customers. We keep our customers informed of any risk of disruption/ discontinuation of supplies in a prompt manner as agreed with them.

4. **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.

Independent Practitioner's Reasonable Assurance Report

To
The Board of Directors of
Divi's Laboratories Limited

Introduction and objectives of work

The Board of Directors of Divi's Laboratories Limited (the 'Company') have engaged us for providing Assurance Report on identified sustainability information in the Business Responsibility & Sustainability Report (BRSR) of the Company for the year ended March 31, 2026, including relevant information of the previous year disclosed in the BRSR.

Our scope of work consists of Reasonable Assurance on BRSR Core indicators in the BRSR Report, as described in the Securities and Exchange Board of India's (SEBI) vide Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026.

Opinion

Reasonable Assurance for 9 BRSR-Core Parameters (Refer to Annexure-1)

We have performed a Reasonable Assurance engagement on whether the Company's identified sustainability information i.e. BRSR Core indicators disclosed in the BRSR report for the period from April 01, 2025 to March 31, 2026 including relevant information of the previous year disclosed in the BRSR, has been prepared in accordance with the Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, guidance notes for BRSR format issued by SEBI.

In our opinion, the Company's BRSR Core indicators disclosed in the BRSR report for the period from April 01, 2025 to March 31, 2026 including relevant information of the previous year disclosed in the BRSR subject to reasonable assurance is prepared in all material respects, in accordance with the Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and basis of preparation as set out in Section A General Disclosures 13 of the BRSR Report for the year ended March 31, 2026.

The Company has established appropriate systems for the collection, aggregation, and analysis of quantitative data on all BRSR Core indicators.

Our opinion is not modified in respect of this matter.

Basis for opinion and summary of our work

We have performed the Reasonable Assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and in line with the requirements of Bureau Veritas's Internal Standards and Requirements for assurance of Sustainability Reports.

As part of its independent reasonable assurance engagement, we assessed the appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported. In this process, we undertook the following activities:

- Assessment was conducted by means of physical site visits at Head Office (HO), Unit 1, Unit 2, Unit 3 & Divi's Research Centre (DRC). Bureau Veritas interviewed personnel of Divi's including Environment, Health & Safety (EHS) team, Environment compliance Department (ECD), Engineering, Personal & Administration, Purchase, Accounts & Corporate Secretarial and other relevant departments.
- The assurance process involved carrying out an Assessment by experienced assessors from Bureau Veritas.
- The Company has submitted performance data on reported BRSR topics. The data pertaining to each location visited was assessed by Bureau Veritas through the process above described.
- Data on various BRSR attributes were assessed for the locations that were visited. Later, it was confirmed that the same assessed data went into preparation of the final data within the BRSR Report for the FY 2025-26.
- Review of Company's data and information systems for collection, aggregation, analysis and review.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on the current best practice in independent assurance.

Management responsibility

The Selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, preparation, and presentation of information in the BRSR report are the sole responsibility of the Company and its management. We are not involved in drafting or preparation of BRSR Report. Our sole responsibility was to provide independent reasonable assurance on BRSR Core indicators stated in the BRSR report for the year ended March 31, 2026.

Our responsibility

We are responsible for performing Reasonable Assurance on the BRSR Core indicators in the BRSR Report of the company for the period from April 01, 2025 to March 31, 2026 including relevant information of the previous year disclosed in the BRSR report, are free from material misstatements, whether due to fraud or error, in accordance with the reporting requirements stated above. Our responsibility includes forming an independent opinion, based on the procedures performed by us and the evidence we have obtained, and reporting our reasonable assurance opinion on the BRSR Core indicators to the Directors of Divi's Laboratories Limited.

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period.
- Positional statements (expressions of opinion, belief, aim or future intention by Divi's Laboratories Limited and statements of future commitment.
- Competitive claims in the report claiming, "first company in India", "first time in India", "first of its kind", etc.

Our assurance does not extend to the activities and operations of Divi's Laboratories Limited outside of the scope and geographical boundaries as well as the operations undertaken by any subsidiaries or joint ventures of the Company.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

Statement of Independence, Integrity, and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety, and social accountability with over 198 years history. Its assurance team has extensive experience in conducting assessment over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA), across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour, and high ethical standards in their day-to-day business activities.

The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Divi's Laboratories Limited.

Competence

The assurance team has extensive experience in conducting assurance over environmental, social, ethical, and health & safety information, systems and processes an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Restriction on use of Our Report

Our Reasonable assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the company solely to assist the company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

M Rama Mohan Rao
Lead Assuror
Bureau Veritas (India) Private Limited

Place: Hyderabad, India
Date: 23.05.2026

Rupam Baruah
Technical Reviewer
Bureau Veritas (India) Private Limited

Place: Mumbai, India
Date: 23.05.2026

Annexure 1

Reasonable level of assurance is provided for following '9 Indicators included in BRSR-Core Attributes'

Sl. No	Attribute	Parameter	Cross Reference to the BRSR
1	Greenhouse Gas (GHG) Footprint	Scope 1 Emissions	Principle 6, Question 7 of Essential Indicators
		Scope 2 Emissions	
		GHG Emission Intensity	
2	Water Footprint	Total Water Consumption	Principle 6, Question 3 of Essential Indicators
		Water Intensity	
		Water Discharge	Principle 6, Question 4 of Essential Indicators
3	Energy Footprint	Total Energy Consumed	Principle 6, Question 1 of Essential Indicators
		% from Renewable Sources	
		Energy Intensity	
4	Waste Management (Circularity)	Category-wise Waste Generation	Principle 6, Question 9 of Essential Indicators
		Waste Intensity & Recovery	
5	Employee Wellbeing and Safety	Spending on Well-being	Principle 3, Question 1(c) of Essential Indicators
		Safety Incidents	Principle 3, Question 11 of Essential Indicators
6	Gender Diversity	Wages Paid to Females	Principle 5, Question 3(b) of Essential Indicators
		POSH Complaints	Principle 5, Question 7 of Essential Indicators
7	Inclusive Development	MSME/Indian Sourcing	Principle 8, Question 4 of Essential Indicators
		Wages in Smaller Towns	Principle 8, Question 5 of Essential Indicators
8	Customer & Supplier Fairness	Data Breach Incidents	Principle 9, Question 7 of Essential Indicators
		Accounts Payable Days	Principle 1, Question 8 of Essential Indicators
9	Business Openness	Related Party Transactions & Concentration	Principle 1, Question 9 of Essential Indicators

Divi's Laboratories Limited

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