

Business Responsibility Report

The Directors present the Business Responsibility Report of the Company for the financial year ended on March 31, 2018.

Section A General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L15201GJ1994PLC23490
2.	Name of the Company	Zydus Wellness Limited
3.	Address of the Registered Office of the Company	House No. 6 & 7, Sigma Commerce Zone, Sarkhej-Gandhinagar Highway, Ahmedabad – 380 015
4.	Website	www.zyduswellness.in
5.	Email id	dhavalsoni@zyduscadila.com
6.	Financial year reported	2017-2018
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	
	Group	Class
		Sub Class
		Description
		1517
8.	Key products / Services	Manufacturing and marketing of table spread. The Company manufactures and markets health and wellness products.
9.	Locations where business activity is undertaken by the Company	The Company's business and operations are based at Ahmedabad, where the manufacturing is carried out, details whereof are provided in this annual report. Details of business performance in Indian markets as well as International markets are reported as a part of the Management Discussion and Analysis Report, which forms part of this Annual Report.
10.	Markets served by the Company – Local / State/ National	As a strong player in health and wellness space in India.

Section B Financial Details of the Company

Paid-up Capital (INR)	3,907 Lakhs
Total turnover (INR)	13,684 Lakhs*
Total profit after taxes (INR) [After OCI]	13,401 Lakhs

*Net of sales promotions.

List of activities in which expenditure on CSR has been incurred and total spending as a percentage of profits after tax:

The Company has spent INR 213.90 Lakhs towards Corporate Social Responsibility [CSR], being 2% of average net profit for previous three years, computed as prescribed under the Companies Act, 2013 on education and healthcare, including preventive healthcare. Annual Report on CSR activities is attached to the Directors' Report.

The Company is a strong player in health and wellness space in India

Section C Other Details

Sr. No.	Details	Information
1.	Does the Company have any Subsidiary Company/Companies?	No
2.	Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company (ies).	Not applicable
3.	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities (less than 30%, 30-60%, more than 60%)	No

Section D BR Information

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR Policy / Policies:

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	07185311
2	Name	Mr. Tarun G. Arora
3	Designation	Whole Time Director

b) Details of the BR head:

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. Dhaval N. Soni
3	Designation	Company Secretary and Compliance Officer
4	Telephone Number	079 – 268 68 100
5	E-mail ID	dhavalsoni@zyduscadila.com

2. Principle-wise (as per NVGs) BR Policy / Policies:

Alignment to National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)

NVG Principle	Chapter in BR Report	Page No.	Details in Annual Report
Business should conduct and govern themselves with Ethics, Transparency and Accountability.	Corporate Governance Structure	42	Yes
Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Quality Principles and Credo for Value Creation	42	Yes
Businesses should promote the well-being of all employees.	Building people to build our business	42	Yes
Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	Zydus Shrishti	42	Yes
Businesses should respect and promote human rights.	Human Rights	43	Yes
Businesses should respect, protect, and make efforts to restore the environment.	Green Impact	43	Yes
Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Policy advocacy	43	Yes
Business should support inclusive growth and equitable development.	Zydus Shrishti	43	Yes
Business should engage with and provide value to their customers and consumers in a responsible manner.	The Zydus Way of manufacturing and marketing of health and wellness products	43	Yes

3. Principle-wise [as per NVGs] BR Policy / Policies:

a) Details of compliance [Reply in Y/N]:

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for?	Y	Y	Y	Y	Y1	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy confirm to any national / international standards?	The Company is abiding by the various laws and while framing the policies, the Company takes into account the best practices and national standards.								
4	Has the policy been approved by the Board? If yes, has it been signed by WTD / Owner / CEO / appropriate Board Director?	Y	Y2	Y3	Y	N	Y	Y	Y	Y4
All statutory policies are approved by the Board of Directors, whereas other policies are signed by the Chairman or the respective business head.										
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
The policies are implemented and being reviewed regularly by the respective business head.										
6	Indicate the link for the policy to be viewed online?	www.zyduswellness.in								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, all the policies are communicated to the employees via internal portal, where each employee has an access and the external stakeholders through Company's website www.zyduswellness.in .								
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes, respective head of the Department attends to any grievances pertaining to their department and address the grievances. The Company has formed an Investors' / Stakeholders' Relationship Committee to redress any grievances of shareholders and investors. The Company also has a dedicated customer relationship cell to address customer related grievances.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company regularly carries out an independent audit on working of policy on Environment. CSR expenditure is also audited by the Company's statutory auditors.								

- The Policy is embedded in the Company's Code of Conduct, HR policies and various other HR practices.
- The Policy is embedded in the Company's Quality and Environmental Policies, which interalia relate to safe and sustainable products.
- The policies for the wellbeing of employees are for internal circulation to the employees and approved by the Board of Directors.
- The Company fulfills the requirements by introducing innovative products and services. The Company has a customer complaint redressal system.

b) If answer to the questions at serial number 1 against any principle, is "No", please explain why: N.A.

4. Governance related to BR:

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.

The BR performance of the Company is regularly monitored by the Company and reviewed by the Chairman and respective departmental heads.

b) Does the Company publish BR or sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company shall publish BR Report as a part of Annual Report. The BR Report is posted on the Company's website – www.zyduswellness.in.

Section E [Principle-wise Performance]:

PRINCIPLE 1: [Business should conduct and govern themselves with Ethics, Transparency and Accountability]

The Company firmly believes and adheres to transparent, fair and ethical governance practices.

The Board of Directors has approved a Code of Business Conduct and Ethics, which is applicable to all Board Members and employees of the Company. This is reviewed and reported annually. The company also has a Whistle Blower Policy / Vigil Mechanism approved by the Board and is applicable to all employees / Directors of the Company. Further, our major suppliers are also required to agree and to confirm to the code of responsible business conduct. The Company has also prescribed a Code of Ethics for its employees, which is very detailed and every employee has to sign and affirm its compliance. Though the Code of Business Conduct and Ethics for Directors and Senior Management Personnel is posted on the Company's website, the internal code of conduct is available on internal portal, which is accessible to all employees.

Details relating to shareholders' complaints are provided in Corporate Governance Report, which is a part of this Annual Report. However, there was no stakeholder complaint in the reporting period with regard to ethics, bribery and corruption.

PRINCIPLE 2: [Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle]

The Company's manufacturing facility is accredited by the leading agencies in India. The Accreditations were given after a thorough audit of Standard Operating Procedures and protocols. Hence utmost care is taken to ensure that products confirm to stringent quality standards and bio-stability of products is also submitted during the periodic audits.

The Company has identified approved vendors for procuring materials and a Standard Operating Procedure is in place for sourcing raw materials. This includes sample approvals, performance trials, plant audit and regulatory clearances. Majority procurement of materials is from the approved manufacturers.

The Company procures goods and services from the local and small producers for its manufacturing premises and offices. It improves operational efficiency and helps save on transportation costs, inventory management and helps in risk mitigation.

The waste generated in the Company's manufacturing operations is recycled/reused wherever possible or disposed of safely. Company's manufacturing facility has its own Effluent Treatment Plant, which ensures discharge of waste below the norms prescribed by the Pollution Control Board.

Important raw materials and solvents are recovered and reused. It is a part of operational management.

PRINCIPLE 3: [Businesses should promote the well-being of all employees]:

1. Please indicate the total number of employees and the number of contractual employees, woman employees and permanent employees with disabilities:

The Company does not discriminate among existing employees or during the process of recruitment on the grounds of religion, race, color, gender and disability. The Company provides equal opportunities to all employees. Key employee data as on March 31, 2018 is provided in the below table:

Sr. No.	Category of Employees	No. of Employees
1.	Management staff	75
2.	Marketing field staff	91
3.	Others	46
4.	Total	212
5.	Contractual employees	130
6.	Permanent Woman employees	5
7.	Permanent employees with disabilities	0

2. The Company does not have a recognised employees association. The Company has not received any complaint relating to child labour, forced labour, involuntary labour and sexual harassment during the year gone by.
3. The permanent and contractual employees at the Company's manufacturing site and corporate office are provided training on relevant Environment, Health and Safety aspects. Further all other employees are given soft skill up-gradation training to improve their skills as may be relevant to the respective functions. 157 employees were imparted training for skill development, EHS, etc. from the total strength.

PRINCIPLE 4: [Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized]:

The Company has mapped its internal and external stakeholders. The Company recognizes its employees, business associates, suppliers, vendors, NGOs, communities, shareholders / investors, regulatory authorities and other governmental bodies and intermediaries as our key stakeholders.

The Company has also identified disadvantaged, vulnerable and marginalized stakeholders. The Company works actively to enhance the employability of youth, leading to income generation and economic empowerment in the marginalized section of the communities.

The company invests in shop floor work's skill development and upgradation, health check-ups and ensures other quality of life parameters. The Company has processes in place to ensure upholding of the rights of its employees and protect against any form of discrimination.

PRINCIPLE 5: [Businesses should respect and promote human rights]:

The Company is committed to promote the human rights and is adhered to it in spirit and deed. This extends to all areas of business operations and various stakeholder groups. The Company is also committed to provide equal opportunities at all levels, safe and healthy workplaces and protecting human health and environment. The Company strives to provide a non-discriminatory and harassment-free workplace for all its employees and contractual staff. The Factories Act, 1948 provides the overarching framework for the Company's policy on human rights for the employees working at the Company's factory. The Company provides equal opportunities to all its employees to improve their skills and capabilities. The company also has a policy in place to foster a professional, open and trusting workplace and safeguard the interests of its women employees. The Company provides help to its neighboring communities to improve their education, cultural, economic and social well-being.

There were no stakeholder complaints in the reporting period pertaining to human rights.

PRINCIPLE 6: [Business should respect, protect and make efforts to restore environment]:

The Company is committed to protect the environment & complies the relevant requirements prescribed under the environmental laws from various statutory bodies. Company's manufacturing facility does consume energy as per the prescribed standards, but also ensures efficient utilization of energy i.e. implementing energy efficient techniques for green environment through various audits. The Company has well designed effluent treatment plant, which treats manufacturing process contaminated waste water & disposes of within the norms prescribed by the Pollution Control Board.

The Company follows all applicable rules & regulations directed by Authorities for Employees' Health and Safety and it is covered at group level. There is a centralized EHS Cell, both at a group level and at the plant level, at a group level, there is a dedicated EHS portal on "Environment Health and Safety". All relevant updated EHS documents, guidelines, policies, SOPs, checklists, etc. are being regularly updated to the employees through this EHS portal and necessary compliance perspective actions are tracked. Further, at regular intervals, EHS Interaction like seminars, group meetings, focused training etc. are organized for awareness amongst the all level of employees.

PRINCIPLE 7: [Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner]:

The Company and the Group is a member of following Chambers:

- A. Federation of Indian Chambers of Commerce and Industry (FICCI); and

- B. Gujarat Chamber of Commerce & Industry.

The Company interacts with Government / Regulatory Authorities on any public policy framework through above institutions. The Company puts forth its views whenever new standards or regulatory developments pertaining to the areas concerning access to the best practices, corporate governance, corporate social responsibility, etc.

PRINCIPLE 8: [Businesses should support inclusive growth and equitable development]:

The CSR initiatives of the holding Company are spearheaded by Ramanbhai Foundation and the Company also follows the same in line with the holding Company. Zydus Shrishti encourages employee volunteerism and is completely an in-house effort. The team carries out initiatives in the field of education, health and research. The focus through these programs is to develop communities which we are a part of, inclusive education and creating knowledge platforms for the research community.

In line with its policy, the Company has contributed towards education, healthcare and social outreach programs and a majority of its CSR spending in the previous financial year has been in these areas. The Company has contributed to the GCS Medical College, Hospital and Research Centre which has been set up in public private partnership by the Gujarat Cancer Society (GCS) and the Government of Gujarat. GCS has been providing comprehensive cancer care and treatment over the last five decades to the less privileged and economically disadvantaged sections of the society. This makes it one of the most comprehensive and self-sustaining healthcare centers of world class standards. GCS' mission is to provide cancer care encompassing prevention, diagnosis, prognosis, treatment, education, rehabilitation, clinical research and after-care at one location. A report in the prescribed format on CSR activities carried out by the Company forms a part of this Annual Report.

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

The Company displays all product information on the product labels, which are mandatory and as may be required for the use of the products by the consumers.

The Company never engages in any unfair trading practices, irresponsible advertising or anti-competitive behavior. The Company has various checks and balances to ensure that the business of the Company is done in a fair and responsible manner.

The Company carries out the customer satisfaction survey to measure the satisfaction among its customers.