A sustainable future matters to us!

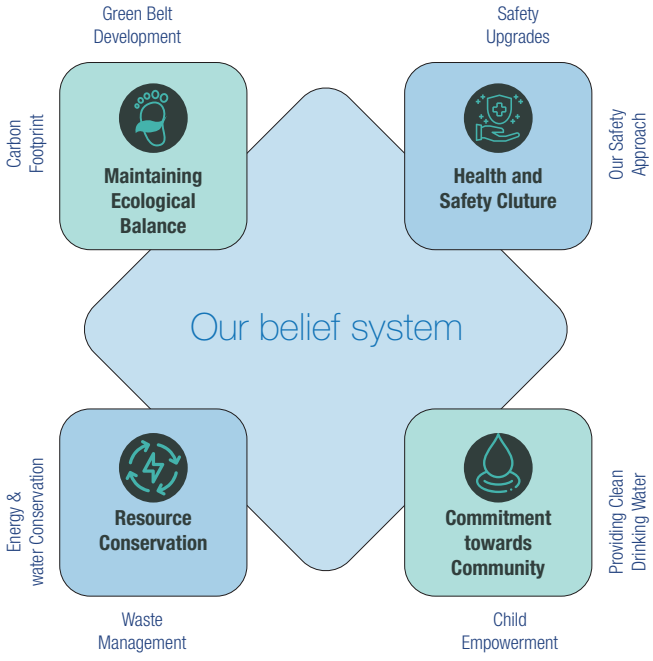
The sustained growth Divi's has seen in the last 30 years would mean nothing if we did not shape a better future all along. And, a better future is one in which the environment is safer. A safer environment leads to a happier community. At Divi's, we consider ourselves safe when both - our community's and environment's health remain uncompromised.

Divi's undeterred focus has always been the protection of our natural capital and making it accessible for the welfare of the community. We at Divi's understand the need for access to resources like water and land, and their importance in one's economic wellbeing. Sustainable development is more than just economic growth. The quality of growth matters as well as the quantity.

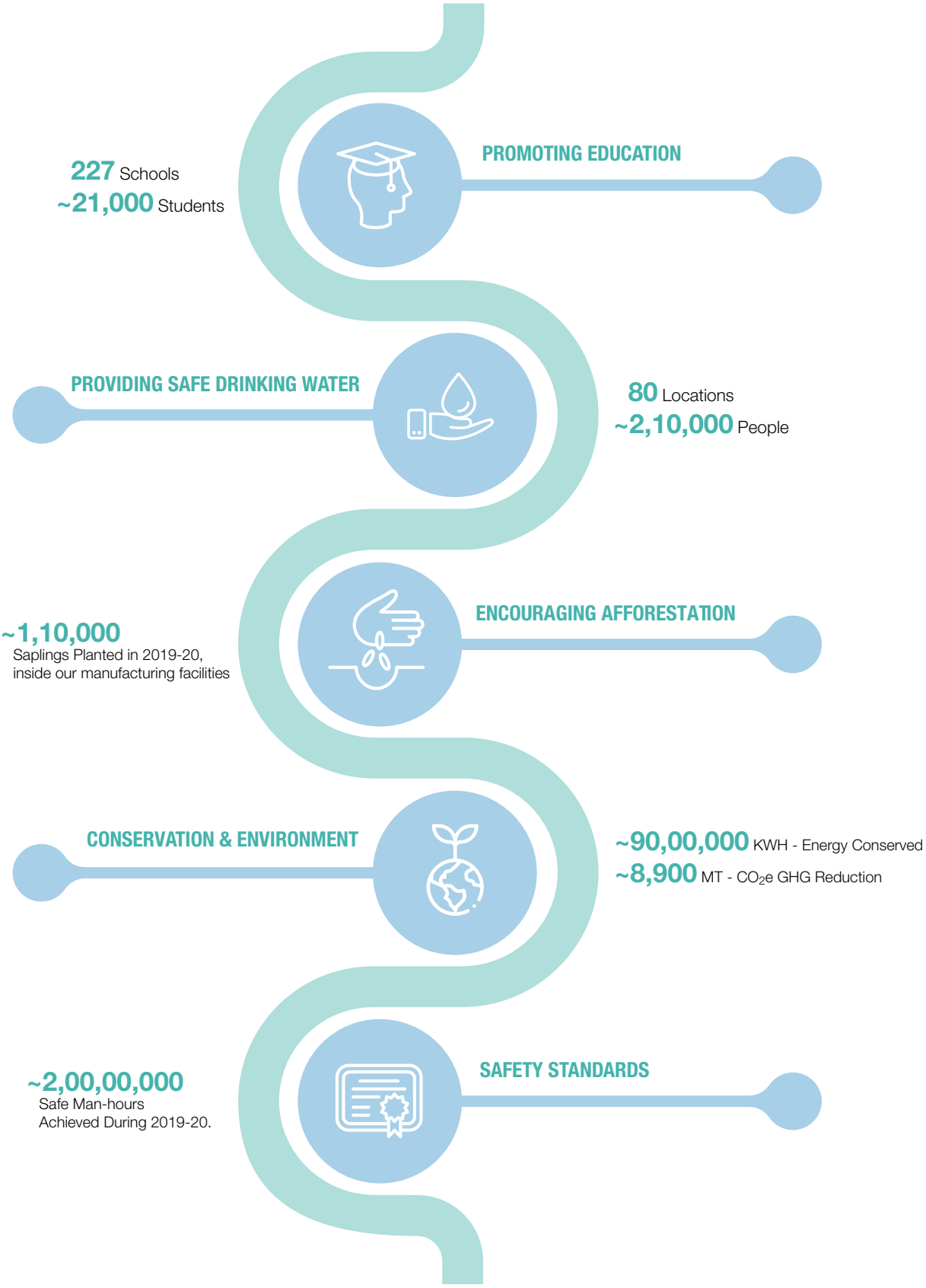








Highlights 2019-20



Celebrating the Act of Giving to the Community

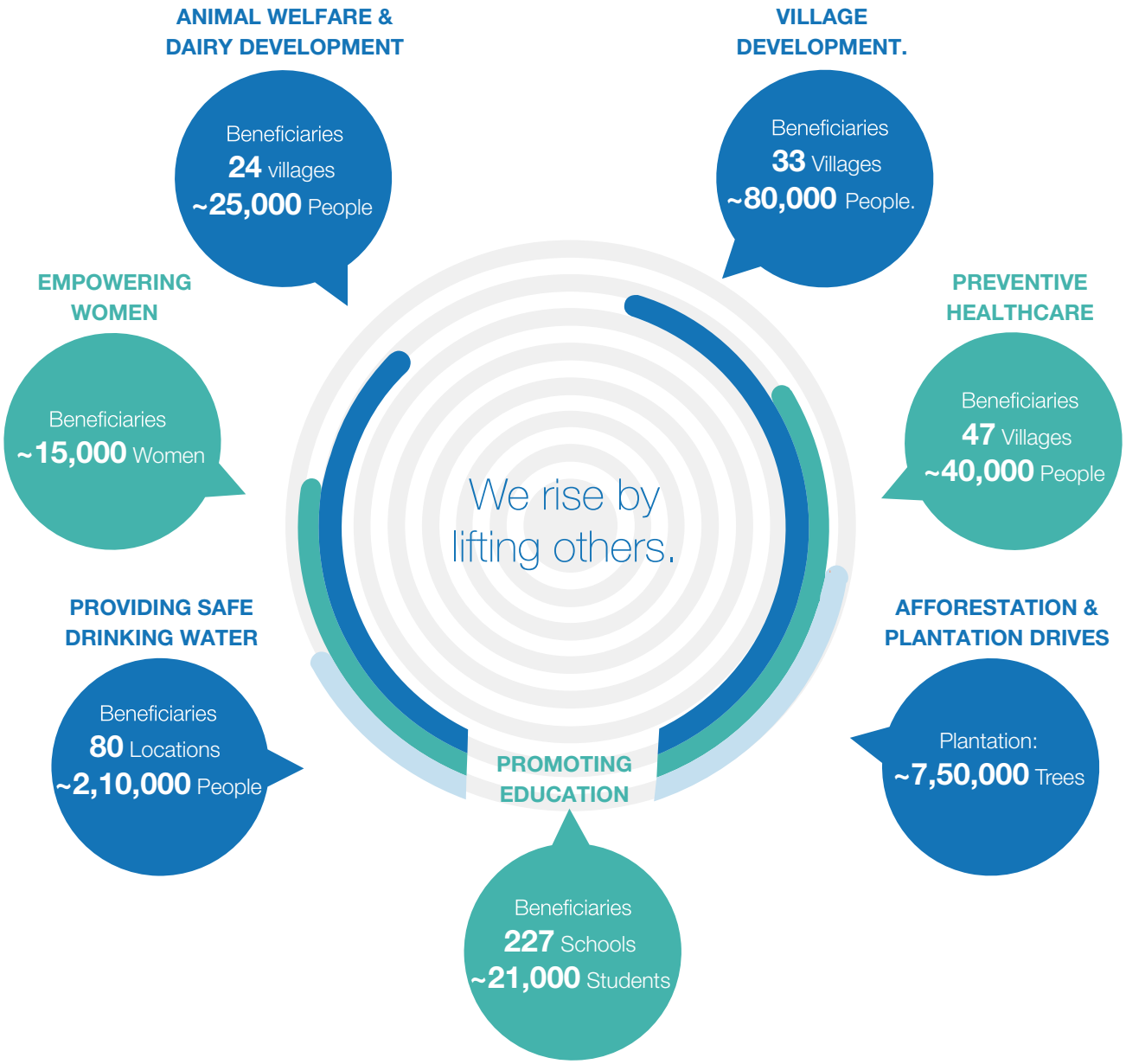


30 years of sustenance is what we call our journey. This sustenance came with belief and through actions, to not only become one of the world's leading API manufacturers, but to serve the community at large. Our strong belief in coexisting with the habitat is the key to our sustained growth. "We did not want to grow in isolation but wanted our community to join us in our journey of growth".



Divi's mission for the past 30 years, has been and will continue to be about "Sustenance through Actions". Whether it is promoting child empowerment, or ensuring safe drinking water, or conducting massive plantation drives, we have always stayed connected to our communities & nature. Access to education, health care, safe drinking water, empowerment of children and women, well-being of animals, betterment of livelihoods, development of rural infrastructure – it is in these actions that we want our stakeholders to take pride.

Highlights 2019-20



The Best Investment for the Future

Today's children are tomorrow's citizens, and it is they who determine our nation's future. We at Divi's want the future generations to learn to sustain while also learn to grow in their lives. This is only possible when today's children are empowered to do so. We want to ensure that the needs of the community are met without compromising on safety of the future generations.

"Opportunity sooner or later comes to all who work and wish." Divi's wishes to provide as many children the opportunity to learn and grow, so they become healthy and responsible citizens tomorrow. Our efforts at educating children are not limited to learning material alone but access to safe drinking water, nutritious food, regular health check-ups, appointment of teachers and setting up new infrastructure necessary for advanced learning at schools.











Highlights 2019-20



DISTRIBUTION OF BOOKS AND BAGS
Beneficiaries:
144 Villages
227 Schools
~21,000 Students

DISTRIBUTION OF UNIFORMS
Beneficiaries:
100 Villages
158 Schools
~14,000 Students

AID TO SECONDARY EDUCATION
Beneficiaries
(10th grade Students):
26 Villages
31 Schools
~2,000 Students

HEALTH CHECK-UP CAMPS
Beneficiaries:
51 Villages
90 Schools
~9,000 Students

DISTRIBUTION OF TEACHING MATERIALS
Beneficiaries:
128 Villages
162 Schools
~17,000 Students

SETTING UP OF SCIENCE LABS
Beneficiaries:
61 Villages
62 Schools
~11,000 Students

DISTRIBUTION OF WATER BOTTLES
Beneficiaries:
143 Villages
226 Schools
~21,000 Students

ENHANCEMENT OF CHILD NUTRITION
Beneficiaries (Each Day):
144 Villages
227 Schools
~21,000 Students

SUPPORT TO VISUALLY CHALLENGED
Beneficiaries:
2 Institutions
~300 Students

SCHOLARSHIPS TO MERIT STUDENTS
Beneficiaries:
23 Villages
~200 Students

Improve Water, Improve Life

"Project Sujalam - any time safe drinking water for all". The brainchild of the man behind Divi's himself, Project Sujalam's objective is to make safe drinking water accessible to the communities around all Divi's manufacturing facilities.



Divi's understands that water just isn't a priceless commodity but the essence of life. And to ensure lives in the communities around Divi's flourish, access to uncontaminated water is a must. Divi's has made it its mission over the past many years to use techniques like reverse osmosis to rid ground water of impurities like fluoride, lead, sodium, and chlorine while also installing storage water tanks in the local communities so that continuous drinking water is available, accessible and consumable.







Highlights 2019-20



80
RO PLANTS INSTALLED

~2,10,000
PEOPLE BENEFITED

67
VILLAGES & 2 MUNICIPATILIES BENEFITED

Where There's Nature, There is a Future

Uncompromised safety of our future generations is paramount to Divi's. In every walk of our operations we ensure this, and celebrate this. 2020 is a landmark year for Divi's; not just because we have sustained for 30 years but we have sustained with values that matter to us. And one among those values that is most integral to Divi's sustenance is giving back to the mother earth. And what best way to do so than breathe life into the earth itself, through afforestation.



Each of our employees is a torchbearer of this value of ours, helping us plant approximately ~7,50,000 saplings, till date at our manufacturing facilities. Not just in the last one year but we have celebrated each of our last 30 years doing so; every year that Divi's has grown by, we have also grown trees alongside.

We are active participants in both the Telangana and Andhra Pradesh State Government's Harithaharam and Vanam-Manam projects through which we have planted nearly 2,00,000 saplings across 49 villages in both the Telugu speaking states.

Clean water along with clean air are what we want to leave for our future generations – every sapling Divi's has planted and will plant is to achieve this.

Highlights 2019-20

Project 'Harithaharam' & 'Vanam-Manam'

49
Villages Covered

~2,00,000
Saplings Planted



Plantation Drive: 'Miyawaki Technique'

16
Villages: Intense forestification

13 Acres
Targeted for the initial phase plantation



Green Belt Development

~7,50,000
Total Saplings Planted till date at both our manufacturing facilities



Strengthen Women, Transform Lives!

"There is no tool for development more effective than the empowerment of women."

- Kofi Annan

Women are central to the process of any communities' overall development. It is therefore important to build a society where women shine. That's why, at Divi's we concentrate on improving the living standards of underprivileged women, by offering vocational education and training, thereby creating livelihood opportunities for them. This helps them to earn and give themselves and their families a better quality of life and also gives women the confidence to stand up for what is rightfully theirs.

Highlights

CONSTRUCTION OF MAHILABHAVANS.
3 Buildings Constructed
1 Building Under Construction

TRAINING PROGRAMMES
Tailoring, Bookbinding, Hospitality, Computers courses.
24 Villages
~600 Women

EMPOWERED WOMEN ENTREPRENEURS.
~100 Women benefited

DISTRIBUTION OF BASIC COOKING AMENITIES.
20 Villages
~650 Women





Smart Rural Habitation for a Successful Nation

Gandhiji said that India lives in its villages. Yet, life in a village is a life of deprivation. It is our mission to bring about positive changes in the villages around us. We are conscious of the need for development of social infrastructure, roads and proper sanitary system in the communities near our manufacturing units and we continuously work hand in hand with the Government to implement rural development plans to achieve Holistic Rural Development.







Highlights 2019-20

CONSTRUCTION OF ROADS, BUS SHELTERS, COMMUNITY HALLS AND DRAINS.	10 Villages ~48,000 People
PROVIDING STREET-LIGHTS AND ACCESSORIES.	23 Villages ~25,000 People
MATERIAL AID TO AGRICULTURE & FISHERMEN.	~100 Coconut Farmers ~10 Fishermen
CONSTRUCTION/ RENOVATION OF BURIAL GROUNDS.	2 Villages ~2,500 People
CONSTRUCTION OF GRAMA PANCHAYAT BUILDINGS.	1 Village ~1,200 People
CONSTRUCTION OF COMMUNITY AND INDIVIDUAL TOILETS.	160 Toilets Constructed ~700 People
DEVELOPMENT OF TANKS AND PARKS.	1 Village ~2,500 People

Every Life is Precious



Dairy farming is a way of life for many local communities in India. It plays an integral role in rural development and Divi's understands its importance. Hence, we initiated several animal welfare programmes to keep livestock healthy. This includes disease prevention, veterinary treatment, appropriate shelter management, nutrition and humane handling. Our initiatives result in the animals' mental and physical welfare and the welfare of people who live closely with animals, like farmers, animal breeders, veterinarians.



Highlights

CAMPS ON DAIRY DEVELOPMENT & CATTLE FEED
24 Villages
~24,000 People

IMPROVEMENT & SUPPORT TO VETERINARY DISPENSARIES
2 Veterinary Hospitals Supported

CONTRIBUTION OF MEDICAL EQUIPMENT, VACCINES & MEDICINES TO VETERINARY HOSPITALS
24 Villages
~24,000 People

Preventive healthcare

As the saying goes, prevention is better than cure! Divi's firmly believes that the provision of adequate healthcare is a basic necessity in any community. As a result, we encourage a preventive approach to healthcare. We try to achieve this by creating health awareness among the underprivileged people living near our manufacturing units. Our awareness initiatives have resulted in permanent changes in peoples' attitude towards hygiene, leading to prevention of illness to decrease the burden of disease and associated risk factors.



Highlights 2019-20

SUPPORTING 'PULSE POLIO' CAMPAIGN

47 Villages
~14,000 Children



ORGANIZATION OF EYE CAMPS

15 Villages
~155 People

AWARENESS ON SEASONAL DISEASES

27 Villages
~25,000 People

CANCER AWARENESS WALKS

~500 Participants
Goal – Eradication of Cervical Cancer by 2030



We Are In It Together

Covid-19 Contributions

The times we find ourselves in are unprecedented in our lifetime. While it is important that we remain sustainable in our business during these trying times, it is equally important for us at Divi's to ensure our commitment to all our stakeholders.

We want to ensure our customers that the supply of our API shall remain uninterrupted; we want to assure our employees that while continuity of business is being ensured, it is not at the cost of their health; we want to assure our community that we will do more than ever to keep them safe from the pandemic in every possible manner we can; and finally we also want to assist the state and central governments in their efforts of extending pandemic care to our citizenry.

Community Awareness about the Pandemic

The pandemic spread a lot of panic amongst our citizenry due to the information floating all around and people not knowing what to consume. This also led to a lot of anxiety in all. Divi's since the beginning of lockdown, has trotted 8 panchayats reaching around ~7,000 people spreading the importance of self-care and not flouting guidelines that have been laid to stop the spread of the pandemic.

Sanitization

Employees of Divi's have been frontrunners over the past few months in both the Telugu speaking states in sanitization efforts of communities around our manufacturing facilities. Be it supplying bleaching powder to local authorities or spraying the disinfectant itself or sanitizing using sodium hypochlorite, Divi's outreach has directly and positively impacted the lives of ~5,00,000 people and 50 panchayats.

Highlights

Contributed funds to CMRF, Telangana & AP
INR 10 Cr

A Volunteering Hand by Divi's Employees
Beneficiaries: ~1,900 Migrant Workers a Day

Sanitizing Communities around our Manufacturing Units and safeguarding their health:
Beneficiaries: ~5,00,000





Support – Infrastructure and Daily Supplies

Be it providing infrastructure to quarantine facilities set up by the governments, or collaborating with various civic bodies, or supporting the daily needs of those whose livelihoods have been affected due to the pandemic, Divi's realises that we can only fight this pandemic hand-in-hand by being appreciative, supportive and by complementing efforts of all.

Support – Migrants, Frontline Warriors and Students

Our employees are our asset, and we can't thank them enough for what they have done to assist the migrants returning to their home states. We hold our heads high with pride in saying, our employees offered food by contributing their time and efforts to serve 1900 migrants everyday during the crisis.

We at Divi's salute astutely the efforts of all the brave frontline warriors risking their own lives to save us from the virus. As a small token of gratitude towards COVID-19 front-line warriors we are supporting state-local police and health care authorities by setting up disinfectant tunnels and providing water dispensers at police check posts, distributing disposable safety suits, nose masks, Protective eye gear etc.

Supporting the safety of Front-line warriors in AP & Telangana
Beneficiaries: ~5,000 people a Day

Essentials for the needy
Beneficiaries: ~1,70,000 daily wage workers

Provided infrastructure & safety supplies to Quarantine Centres
Beneficiaries: ~6,500 people

Creating awareness and keeping the morale high
Beneficiaries: ~7,000 families





Practicing Mindfulness

Climate change is for real, and it needs our undivided attention. Ever since our inception, it has been Divi's tradition to plant a tree for every occasion. Upon achievement of every milestone during our illustrious 30 years, we have had all our stakeholders plant a tree, and which has now become our culture.

Trees are the best way to pay our mother earth back, and our mission at Divi's is to not deprive our future generations of our natural world. Greener environment, greener community and thus, a greener earth – we can have our ecosystem back into balance again, and Divi's will continue to work towards it.



Green Belt Development

It is a part of our culture, and Divi's Green Belt initiatives are a reflection of our culture. Be it planting trees on our premises which is evident in our "Triangle Garden" or planting a tree for every one felled outside our facilities, during this year, we have

~1,10,000 saplings planted

149 species

resulting in carbon sequestration equivalent to approx..

~77,000 tonnes, which has optimistically increased by 9% compared to the previous year.



Reducing Carbon Footprint

With sustained growth during the last 30 years, we have also understood that we have contributed to the total carbon footprint; a contribution we are constantly monitoring. So, we have been working on improved manufacturing techniques to reduce Scope-1 emissions, and it has yielded results to an effect of 16% reduction in the carbon footprint per ton over the last 5 years. The focus over the next decade will be towards achieving the vision of low carbon economy.

~20,000 MT Scope-1 absolute emissions reduced during 2019-20

~16% reduction in Scope-1 carbon footprint per ton of manufacturing quantity over the past 5 years.



Energy Conservation

Consumption of energy contributes to the emission of greenhouse gases. So, at Divi's we have been trying to identify opportunities that will lead to conserving energy and reduce our emissions. To this effect, we are continually upgrading to make our processes and systems energy efficient; be it the usage of LED lights over fluorescent ones, or replacing booster pumps with brine circulation techniques, our single-minded focus is towards achieving energy efficiency.

~10,000 LEDs Installed, resulting in the energy conservation of **~47,00,000** KWH

2% reduction in total energy consumption compared to 2018-19.

~11% reduction in energy consumption per ton of manufacturing quantity over the past 5 years.

Energy conserved is equivalent to the power consumption of ~ **~6,800** small families per year.



Water Conservation & Wastewater Management

At Divi's, wastewater is as important to us as fresh water. What we are trying to do is to lower our consumption of fresh water wherever possible and instead use treated water. Using our 3R principle of Reduce, Reuse and Recycle, we have been working towards reducing our water consumption year on year. In line with our water conservation principles, at Divi's we are mindful of the wastewater generated at our manufacturing facilities. We have developed ways to make the wastewater generated by us also a resource by using effluent treatments and reverse osmosis.

Water Conservation:

68% Increase

in Water-recycling Potential compared to 2018-19

Waste Water Management:

From 72% to 81.5% is the recovery

% achieved through treatment of dissolved solids and RO rejects, over the past 5 years.

Prevention of accidents and promotion of well-being

At Divi's, we implement every measure to ensure the safety of our assets; our employees are our most important asset, and we leave no stone unturned when it comes to ensuring their safety at work. We want our employees to feel happy at work, and feeling safe is integral to it.

We adhere to the policies set forth by both Environmental Health and Safety & Occupational Health & Safety to ensure the wellbeing of our most important assets. Through continual audits, certifications, training, usage of protective equipment and in-house emergency response teams, we are proud to pronounce we have achieved 20 million safe man hours without reporting any reportable incidents during the FY.

Our employees' health is our wealth at Divi's.







Highlights 2019-20

AUDITS
20 EHS audits undertaken by various multi national companies, statutory authorities and third party agencies.

MANAGEMENT SYSTEMS
ISO 14001 Re-certification
OHSAS 18001 Re-certification
ISO 14064 verification of GHGs

EMERGENCY HANDLING
Fully equipped in-house mobile emergency van along with first line of defenders to handle emergencies.

SAFE MAN-HOURS
20 million safe man hours for the year 2019-20 with no reportable incidents.

TRAINING
5200 EHS training programmes conducted during the year, representing 100% increase in the programmes conducted compared to the previous year.

PERSONAL PROTECTIVE EQUIPMENT
3000/4000 overalls, FR uniforms & Suits, Aluminium fire entry suits, Arc flash suits and augmenting PPEs by adding specialized PPEs like micro-chem for handling critical materials

Our Employees are our Matchless Strength

Our employees are not only our most valued asset but also our strength. They are the torchbearers of our culture and tradition. When it comes to leading from the front in giving back to the community, Divi's employees volunteer.

And we make it our own, to make sure our employees feel at home even at work. Their physical and mental health remain our top priority. Our yearly marathon participation, where most our employees are present, our state-of-the-art fitness centre at our corporate office, the spaces available for yoga and meditation and the inter-departmental sports meets are all a testament to our commitment to keeping our employees engaged.

Our employees are as important to us as any other stakeholder of ours, and an engaged employee translates into customer happiness.

ENCOURAGING A HEALTHY LIFESTYLE:

Fitness centres and sports events

INSPIRING OUR PEOPLE TO PLANT TREES:

A tree for every occasion

GIVING BACK TO THE COMMUNITY:

Employee volunteerism through COVID 19 response, offering water and food to migrant workers







Business Responsibility Report

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L24110TG1990PLC011854
2.	Name of the Company	Divi's Laboratories Limited
3.	Registered Address	Divi Towers, 1-72/23(P)/DIVIS/303, Cyber Hills, Gachibowli, Hyderabad – 500 032, Telangana, India
4.	Website	www.divislabs.com
5.	E-mail Id	mail@divislabs.com
6.	Financial Year reported	April 2019 to March 2020
7.	Sector(s) that the Company is engaged (industrial activity code-wise)	Pharmaceuticals NIC Code: 210
8.	List of three products/services that the Company manufactures/provides	Naproxen, Gabapentin, Dextromethorphan HBr
9.	Total number of Locations where business activity is undertaken by the Company	
	a. Number of International Locations	Marketing subsidiaries at New Jersey in USA and Basel in Switzerland for our Nutraceutical Ingredients
	b. Number of National Locations	6 manufacturing facilities and 3 R&D Centres / PDSCs in India. Refer Page No. 7 of the Annual Report
10	Markets served by the Company – Local/State/ National/International	In addition to pan India, our major markets include Europe, United States of America (USA) and Asia.

Section B: Financial Details of the Company (as on 31 March, 2020)

1.	Paid-up Capital (INR)	₹ 5,309 Lakhs
2.	Total Revenue (INR)	₹ 5,50,043 Lakhs
3.	Total profit after taxes (INR)	₹ 1,37,271 Lakhs
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	3.69% (₹ 5,068 Lakhs)
5.	List of activities in which expenditure in 4 above has been incurred:-	The major areas in which CSR expenditure has been incurred include: 1. Promoting education; 2. Rural development 3. Promoting health care; 4. Safe drinking water 5. Environment sustainability; 6. Empowering women 7. Promotion of rural sports; 8. Swachh Bharat initiative 9. Livelihood enhancement program. Refer Annexure-IV – Annual Report on CSR Activities undertaken during the year forming part of the Boards' Report for FY 2019-20.

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has 2 foreign subsidiaries.
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(s)	Subsidiary Companies are closely integrated with our Corporate BR initiatives to the extend in conformity with applicable local laws.
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%]	Yes. We have a Code of Conduct for stakeholders, which we expect them to follow.

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	
	DIN Number	: 00005040
	Name	: Dr. Murali K. Divi
	Designation	: Managing Director
	(b) Details of the BR head	
	DIN Number (if applicable)	: 00063843
	Name	: Mr. Madhusudhana Rao Divi
	Designation	: Whole-time Director- Projects
	Telephone number	: 91-40-23786339
	e-mail id	: raodivi@divislabs.com

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

(a) Principle-wise Index:

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

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for…	Y	Y	Y	Y	Y	Y	NA	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Y*	Y*	Y*	Y*	Y*	Y*	NA	Y*	Y **
4	Has the policy being approved by the board? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
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*	NA	Y*	Y*
6	Indicate the link for the policy to be viewed online?	www.divislabs.com	Available on our Intranet	NA	www.divislabs.com	www.divislabs.com	www.divislabs.com	NA	www.divislabs.com	Available on our Intranet

7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8	Does the company have in-house structure to implement the policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the company have a grievance redressal mechanism related to the policies to address stakeholders' grievances related to the policies?	Y	Y	Y	Y	Y	Y	NA	NA	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	NA	Y	Y

*Policies conform to applicable laws and the national standards. Implementation of the Policies lie with the respective functional Heads and reviewed by the Management.
**Divi's has policies and procedures in line with its business and conform to national and international standards relevant to the type of industry in which it operates.
NA – Not Applicable

3. 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	Annually
b	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the Company publishes a BR report annually. Web link: https://www.divislabs.com/wp-content/uploads/2020/Sustainability-Report-2019-20.pdf

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?

The policy extends to all our stakeholders like suppliers, customers, employees etc. Divi's Code of Ethics and Business Conduct conforms to standards of corporate governance by complying with laws and regulations and to fulfill the responsibilities to stakeholders and implement standards of transparency, integrity, accountability and corporate social responsibility in all dealings.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.

We have not received any significant complaints from stakeholders in the last financial year.

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

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

(a) Gabapentin

(b) Levodopa

(c) Vent Gas Condensers (VGC) systems

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

i) Gabapentin

As part of Continuous Improvement Initiatives, Divi's developed efficient process for manufacturing one of the intermediates of Gabapentin API.

Harsh conditions for acidic hydrolysis to open the imide ring in intermediate formation step was eliminated by adopting selective alkaline hydrolysis for opening the imide ring. With this improvement, we are able to process the reaction using milder temperature conditions with less number of steps in the synthesis.

ii) Levodopa

As part of Operation Green initiatives, waste minimization was done in intermediate steps and the resulting indirect benefits are significant reduction in water by 4800 M^3 per year, energy consumption by 1,14,000 KWH per year and reduction in carbon footprint by 105 TCO_2e per year.

iii) Vent Gas Condensers (VGC) systems

We have installed an inline vent line gas condenser system to condense the escaping solvent vapors from high-pressure filtration operations. Installed one unit and recovered 680 KL of solvent from escaping vapors whereby 1.7 TCO_2e of GHG emissions were reduced.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the Company has laid down a standard operating procedure for the selection and approval of its vendors for sourcing of material. We have a system in place for evaluating the EHS resources and compliance of key suppliers and vendors for key raw material / intermediates.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Divi's has a supply-chain policy aimed at sustainable sourcing of inputs. The Company has a supplier evaluation and qualification process. On site audits/ visits are made to review the practices followed at suppliers' sites towards this objective.

Steadfast resources are involved in sustainable sourcing activities including capacity building, developing long-term supplier partnerships, vendor development and performance management, and sharing best practices among all strategic business partners. We have a dedicated team for supply risk mitigation program to develop alternate vendors wherever single vendors are considered critical for business continuity.

Indigenization of supplies is a key focus for our sustainable raw material sourcing. This approach aids us for lower procurement costs and improvement in overall quality of the products as the materials are delivered with shorter lead-times, with complete compliance control (especially temperature sensitive raw materials) and lower logistics costs.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof

Yes, the Company has a mechanism to recycle products and waste. Solvents, reagents are recovered both onsite and offsite. >95 % of the waste is sent to cement and other industries for co-processing and recovery/reuse.

Principle 3: Businesses should promote the wellbeing of all employees

Our Company promotes the well-being of all employees by providing equal opportunities, facilities and a workplace environment that is safe, hygienic, humane and which upholds the dignity of the employees. We encourage participation of employees through various committees. We have set up Grievance Redressal Committee for the resolution of disputes or grievances of employees. Management is accessible at all points of time to redress grievances and complaints of employees as per defined procedures.

1. **Please indicate the total number of employees:** 13884
2. **Please indicate the total number of employees hired on temporary/contractual/casual basis:** 4872
3. **Please indicate the number of permanent women employees:** 741
4. **Please indicate the number of permanent employees with disabilities:** 25
5. **Do you have an employee association that is recognized by management?** Divi's does not have any employee association or a trade union of workers.
6. **What percentage of your permanent employees is members of this recognized employee association?** Not applicable
7. **Please indicate the number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.**

(Data as on 31 March, 2020)

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labor/forced labor/involuntary labor	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   All permanent employees and contract labor of manpower contractor undergo safety training. Development opportunities for our employees are customized as per their functional needs. We have in-house skill enhancement programs and externally supported skill up-gradation programs for employees. All employees attend our Health & Safety training programmes.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   Yes, we have identified the stakeholders, internal and external, who directly or indirectly influence our business operations. Our major stakeholders are employees, community & society, investors, shareholders, vendors, suppliers, Government and Regulators.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   Yes, as a responsible organization, we are committed to work for the welfare of communities around us. Various vulnerable stakeholders around our manufacturing sites have been identified and we have devised and implemented various welfare & development, livelihood & skill upgradation programs for them from time to time.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words**

   Yes. Special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders is by providing books, special aids, educational material for visually challenged, scholarship and school infrastructure.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   Our policy on human rights extends to all across the supply chain of our group including suppliers, contractors as well as the local communities and consumers.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   We have not received any stakeholder complaints pertaining to this principle, during the financial year.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   We have a defined Environment, Health and Safety policy in place which is accessible to all our employees & interested parties. We motivate our employees and people living around the surrounding villages to minimize the environmental impact. We conduct awareness camps and distribute plant samplings to surrounding villagers for increasing the greenbelt coverage.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, being a responsible organization, we have taken benchmarking improvements and succeeded in achieving our GHG targets taken by setting FY-2019 as a targeted year. Through Carbon Disclosure Project (CDP), we are publicly disclosing our carbon footprint to all stakeholders at regular intervals. Scope-1 emissions per ton of manufactured quantity reduced by ~16% compared to base year (2014-15). This can be accessed from the website of the Company at https://www.divislabs.com/csr-and-responsibility/.

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes, the Company has Environment Management System (EMS) and key environmental impact/risks are identified and appropriate controls to eliminate/mitigate the risks are identified and established.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?**

   We currently do not have any Clean Development Mechanism (CDM) projects.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Yes, The Company utilises latest technologies towards Green Environment. Divi's EHS policy stresses on continuous process upgradation to minimize risks and wastage. It gives utmost importance for conservation of energy with the objective of improving yields or eliminating wastage by increasing overall system efficiency and reviews the processes to minimize energy losses.

   Optimum utilization of energy is achieved through energy efficient systems/equipment, using alternate renewable energy and energy efficient lighting. We also achieve water conservation by harvesting rain water, recycling process water & installing equipment and improving our processes to minimize water utilization.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, the emissions/waste generated by our manufacturing facilities are well within the permissible limits. This is continuously ensured by effective online monitoring systems installed at several locations.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   There were no show cause/ legal notices received from CPCB/SPCB in the reporting year.

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

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   (a) National Safety Council

   (b) Pharmaceuticals Export Promotion Council of India

   (c) Bulk Drug Manufacturers Association

   (d) National Fire Protection Association

   (e) Swiss-India Chamber of Commerce

   (f) The Federation of Telangana And Andhra Pradesh Chambers of Commerce And Industry

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No;**

   No.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the company have specified programs/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   As part of its CSR policy, the company has taken up several initiatives in this regard for the communities or villages around the manufacturing sites. All our programs and initiatives have complemented and supported the development priorities of the local communities.

2. **Are the programs/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   As such most of the programs/ projects undertaken by Divi's are through in-house team. A separate department with qualified staff has been constituted for formulation, implementation and review of CSR activities. A few projects are undertaken in association with NGOs/Charitable Trusts having exercising in certain initiatives undertaken.

3. **Have you done any impact assessment of your initiative?**

   Yes. We measure the outcome of every initiative implemented for the community through listening and feedback. The assessment helps us in designing new programs and initiatives to address the felt needs of local communities.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   Total expenditure incurred on community development initiatives during the financial year is Rs. 5068 lakhs. The programs undertaken are as per the CSR Policy enumerated elsewhere.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

   Community development initiatives undertaken by Divi's are successfully adopted and continued by the local communities. We have adopted a collaborative and participatory approach in the formulation and implementation of community development programs for ensuring continuity and sustainability. Some of our initiatives have exit strategy wherein we handover the project, after successful implementation, to local administration for the community ownership.

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

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

   No pending complaints. The complaints are handled timely as per the internal SOP and responded to customers.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks**

   Yes, all relevant product information such as name and grade of the product, batch number, manufacturing date, re-test date, quantity, manufacturer's details, storage and handling instructions, precautionary/ hazard statements, disposal procedures etc are provided on the labels.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on the end of financial year.**

   No

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Yes, customer feedback is taken and evaluated periodically.