



**BUSINESS
RESPONSIBILITY
AND
SUSTAINABILITY
REPORT
2024**



Executive Summary

Our Business Responsibility & Sustainability Report demonstrates our commitment to the nine principles of the National Guidelines on Responsible Business Conduct (“NGRBC”) as well as our progress against the stated objectives across environmental, social and governance (“ESG”) parameters.

Our Company’s purpose of accelerating access to affordable and innovative medicines across the world provides the foundation for ushering in a healthier tomorrow for all.

A legacy spanning over forty years, our core tenets are deep science, progressive people practices and robust corporate governance. We continue to focus on creating value for all our stakeholders and towards our goal of serving over 1.5 bn patients by 2030.

The BRSR disclosures are in terms of Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and consists of three sections:

- **Section A** provides a broad overview of the business, its offerings, business and operations footprint, employees, related parties, Corporate Social Responsibility (CSR) and transparency
- **Section B** covers management and process disclosures related to the businesses aimed at demonstrating the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements
- **Section C** provides essential and leadership indicator-wise disclosures mapped to the nine principles of NGRBC

For FY2024, DNV Business Assurance India Private Limited (“DNV”) has issued Independent Assurance Statement for reasonable assurance of the core indicators of BRSR. DNV has also issued the said statement for limited assurance of other than core indicators of BRSR.

Key Highlights of BRSR FY2024

General and Management Disclosures

- Reasonable Assurance of BRSR core indicators and Limited Assurance of remaining section of BRSR
- Presence in 75 countries outside India
- 36.4% of Board members are women directors
- 0.3% of workforce are differently abled
- Turnover rate for employees and workers are 18.4% and 9.7%, respectively in FY2024
- Comprehensive disclosure of material risk and opportunities
- Sustainability and CSR Committee act as nodal Committee for ESG related matters
- Comprehensive disclosure of ESG goals and progress made during the year



Principle 1

Conduct and govern with integrity, and in a manner that is ethical, transparent and accountable

- 70% of our employees and 99% of workers received periodic training, viz., on business, business conduct and ethics, compliance regulations, and ESG parameter
- No disciplinary action against Directors/KMPs/Employees/Workers by any law enforcement agencies for charges of bribery/corruption
- 0.52% of purchases are from related parties



Principle 2

Provide goods and services in a manner that is sustainable and safe

- We conducted Life Cycle Assessment for 3 of our API products and these have no significant social or environmental risks
- 100% of our inputs are sourced from suppliers who abide by our Supplier Code of Conduct
- 99% of our global hazardous waste are sent to industries and recyclers for co-processing and recycling
- 90% of cold boxes packaging materials are reused at CFA or stockist level



Principle 3

Respect and promote the well-being of all employees, including those in value chains

- 100% of our permanent employees and workers are covered under health and accident insurance, and maternity and paternity benefits
- 99.1% return to work rate and 83.6% retention rate for our permanent employees post parental leave
- 92% employees and 99.2% workers were provided skill upgradation training
- 42.5% employees and 60.7% workers were provided health and safety measures training
- 98.4% of employees have undergone career and performance development reviews
- LTIFR per one mn-person hours worked-0.14



Principle 4

Respect the interests of and be responsive to all its stakeholders

- Comprehensive stakeholder engagement to understand their expectations, inform our strategy and communicate our progress
- Evolved process for considering feedback of the stakeholders on economic, environment and social topics by the Board
- Evolved process for engagement and support of the vulnerable and marginalised stakeholders group



Principle 5

Respect and promote human rights

- 72.7% of permanent employees were given training on human rights
- 100% of our employees and permanent workers are paid more than the minimum wage
- Median remuneration of male employees were ₹ 6 lakhs per annum and female employees were ₹ 9 lakhs per annum
- 100% of plant or offices were assessed for human rights issues



Principle 6

Respect and make efforts to protect and restore the environment

- 48% of total energy consumption is from renewable sources
- 7% reduction in fresh water intensity from previous financial year
- 14% absolute reduction in Scope 1 & 2 emissions from previous financial year
- 56% of electricity consumption through renewable power
- 102,582 KL of harvested rainwater consumed
- 6% absolute reduction in Scope 3 emissions from previous financial year



Principle 7

Influencing public and regulatory policy, in a responsible and transparent manner

- Associated with eight trade and industry chambers/associations to foster dialogue on industry growth drivers, innovation and shaping public policy
- Public policy advocacy on important issues such as regulatory changes, R&D and intellectual property protection, access and affordability, and marketing practices
- No adverse order/action from regulatory authorities in issues related to anti-competitive conduct



Principle 8

Promote inclusive growth and equitable development

- 45% of input materials were sourced from within India
- Job creation in terms of remuneration in Rural, Semi-urban and Urban were 3.5%, 1.6% and 10.2%, respectively, of total during the year
- Positively impacted 496,618 individuals through CSR initiatives



Principle 9

Engage with and provide value to the consumers in a responsible manner

- 100% of our formulation products representing 87.9% of revenue carry information about safe and responsible usage on product labelling and packaging
- No forced recalls, 22 voluntary recalls
- No data breaches found during the reporting period
- No major service disruptions

Business Responsibility and Sustainability Report (BRSR) FY2024

SECTION **A** GENERAL DISCLOSURE

I Details of Listed Entities

1	Corporate Identity Number (CIN) of the Listed Entity	: L85195TG1984PLC004507
2	Name of the Listed Entity	: Dr. Reddy's Laboratories Limited
3	Year of incorporation	: 1984
4	Registered office address	: 8-2-337, Road No. 3, Banjara Hills, Hyderabad – 500 034, Telangana, India
5	Corporate address	: 8-2-337, Road No. 3, Banjara Hills, Hyderabad – 500 034, Telangana, India
6	E-mail	: shares@drreddys.com
7	Telephone	: +91-40-49002900
8	Website	: www.drreddys.com
9	Financial year for which reporting is being done	: April 1, 2023 to March 31, 2024
10	Name of the Stock Exchange(s) where shares are listed	: BSE Limited National Stock Exchange of India Limited New York Stock Exchange, Inc NSE IFSC Ltd
11	Paid-up Capital	: ₹ 834,091,330
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	: Mr. K Randhir Singh Company Secretary, Compliance Officer & Head-CSR E-mail id: shares@drreddys.com Contact No: +91-040-4900 2222
13	Reporting boundary	: The disclosure under BRSR is on a consolidated basis unless otherwise specified at the respective section.
14	Name of Assurance provider	: DNV Business Assurance India Private Limited (DNV)
15	Type of Assurance obtained	: BRSR Core – Reasonable assurance Remaining part of BRSR – Limited assurance

II Products and Services

16. Details of Business Activities (Accounting for 90% of the turnover)

Sl. No.	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1	Pharmaceuticals	Development, manufacturing & sale of pharmaceutical products, and services	100

17. Products/services sold by the entity (accounting for 90% of the entity's Turnover)

Sl. No.	Products/Service	NIC Code	% of Total Turnover Contributed
1	Development, manufacturing & sale of generic formulations including biosimilars	21009	88
2	Development, manufacturing & sale of active pharmaceutical ingredients & custom pharmaceutical services	21009	11



III Operations

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

Location	No. of plants (Including R&D sites/operations)	No. of offices	Total
National	24	16	40
International	7	62	69

19. Markets served by the entity

a. No. of Locations

Locations	Numbers
National (No. of States & Union Territories)	36
International (No. of Countries)	75

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

Out of the total turnover of ₹ 19,276 cr (excluding service income, licence fees and other operating income) on standalone basis, the turnover of the products sold in India is ₹ 4,658 cr (24%) and that of other countries is ₹ 14,618 cr (76%).

c. A brief on types of customers

Our customers include wholesalers, distributors, pharmacy chains and hospitals, government institutions and other pharmaceutical companies.

IV Employees

20. Details as at the end of the financial year

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total	Male		Female		Others	
			No.	%	No.	%	No.	%
Employees								
1	Permanent	26,343	21,119	80.2	5,219	19.8	5	0.0
2	Other than permanent	8,226	5,476	66.6	2,750	33.4	0	0
Total		34,569	26,595	76.9	7,969	23.1	5	0.0
Workers								
1	Permanent	643	600	93.3	43	6.7	0	0
2	Other than permanent	8,657	6,936	80.1	1,721	19.9	0	0
Total		9,300	7,536	81.0	1,764	19.0	0	0

b. Differently abled employees and workers:

Sl. No.	Particulars	Total	Male		Female		Others	
			No.	%	No.	%	No.	%
Differently abled Employees								
1	Permanent	104	67	64.4	37	35.6	0	0
2	Other than permanent	22	13	59.1	9	40.9	0	0
Total		126	80	63.5	46	36.5	0	0
Differently abled Workers								
1	Permanent	0	0	0	0	0	0	0
2	Other than permanent	21	21	100	0	0	0	0
Total		21	21	100	0	0	0	0

21. Participation/inclusion/representation of women

Particulars	Total	No. of Females	% of Females
Board of Directors	11	4	36.4
Key Management Personnel (KMPs) ¹	3	0	0

¹ The KMP of the Company are Co-chairman and Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary. Since Co-chairman and Managing Director is already included under heading Board of Directors, the same has not been again included under heading KMP.

22. Turnover rate for permanent employees and workers

Particulars	FY2024				FY2023				FY2022			
	Male	Female	Others	Total	Male	Female	Others	Total	Male	Female	Others	Total
Permanent Employees (%)	18.2	19.0	12.5	18.4	21.1	19.2	42.9	20.8	20.5	21.4	27.3	20.6
Permanent Workers (%)	8.0	34.1	0	9.7	23.6	44.7	0.0	24.9	21.8	28.6	0.0	22.2

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

23. Names of holding/subsidiary/associate companies/joint ventures

The details of holding/subsidiary/associate companies/joint ventures are given in Form AOC-1, as Annexure-I to the Board's Report and this forms part of the Integrated Annual Report

Do the entities indicated in above table, participate in the business responsibility initiatives of the listed entity? (Yes/No)

Yes, all the entities, wherever applicable, participate in the relevant Business Responsibility initiatives of the Company, except the joint venture companies. The specific exclusion wherever applicable has been given in the respective section in BRSR.

VI CSR Details

24. Whether CSR is applicable as per Section 135 of the Companies Act, 2013: Yes¹

(i) Turnover (₹ in mn)	194,838
(ii) Net worth (₹ in mn)	242,408

¹ As per IND AS Standalone Financial Statements

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 redressal policy)	FY2024			FY2023		
			No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes ¹	https://www.drreddys.com/investor#governance	0	0		0	0	
Investors (other than shareholders)	Yes ¹	https://www.drreddys.com/investor#governance	0	0		0	0	
Shareholders	As per applicable law	https://www.drreddys.com/investor#governance	10	0		8	0	
Employees and workers	Yes ¹	https://www.drreddys.com/investor#governance	274	60		234	34	
Customers	Yes ¹	https://www.drreddys.com/investor#governance	0	0		0	0	



Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No)	(If Yes, then provide web-link for grievance redressal policy)	FY2024			FY2023		
			No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Value chain partners	Yes ¹	https://www.drreddys.com/investor#governance	49	7		25	3	
Others (please specify)	Yes ¹	https://www.drreddys.com/investor#governance	94	29		69	11	

¹ Some of the policies guiding the Company's conduct with all its stakeholders, including grievance mechanisms are placed on the Company's website. The hyperlink is: <https://www.drreddys.com/investor#governance>. In addition, there are internal policies placed on the intranet of the Company.

26. Overview of the entity's material responsible business conduct issues

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

Sl. 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 or opportunity (Indicate positive or negative implications)
1	Enhancing availability of product	Opportunity	<p>A significant proportion of patients in numerous low and middle-income countries encounter financial limitations when attempting to obtain affordable medicines.</p> <p>As a pharmaceutical company, we prioritise making life-saving medicines accessible, available, and affordable for patients. Also, due to our role in society, we are uniquely positioned to reduce health disparities, and enable improved health outcomes.</p>	<ul style="list-style-type: none"> We are committed to serving 1.5 bn patients by 2030 and bring at least three innovative solutions to improve the standard of treatment every year from 2027. We are working to achieve our goals by launching more innovative drugs and expanding our product portfolio, increasing our go-to-market through diverse collaborations and licensing arrangements, and through greater presence in public health We are partnering with multilateral and donor agencies to address the global disease burden, neglected tropical diseases, and emergency disease areas. We remain deeply committed to taking a holistic approach to healthcare, running several innovative programmes, offering one-of-its-kind patient care and disease management initiatives that service patients digitally or through hybrid means. We also participate in strengthening public health delivery systems through the training and capacity building of health workers and local stakeholders We also offer patient assistance programmes such as Sparsh for underprivileged cancer patients in India, M-Free and Mi-Free for patients on Nerivio®, and co-pay savings programmes in the US for multiple products 	Positive

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Sl. 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 or opportunity (Indicate positive or negative implications)
2	Regulatory compliance	Risk	Regulatory guidelines and requirements heavily regulate the manufacturing of our products, including manufacturing quality standards. Periodic inspections are conducted on our manufacturing sites, and if the regulatory and quality standards and systems are not found adequate, it could result in observations. This might impact our ability to meet patient demand and generate value for our stakeholders.	<ul style="list-style-type: none"> We are fully dedicated to quality and have robust quality processes and systems in place at our developmental and manufacturing facilities to ensure that every product is safe and of high quality We have integrated “Quality by Design” to build quality into all processes and use quality tools to minimise process risks We continue to spend significant time, money and effort in the areas of production and quality testing to help ensure full compliance with cGMP regulations We leverage information technology to digitise and enhance our quality assurance and quality control processes Our suppliers are subjected to periodic evaluation processes that prioritise quality parameters and ensure compliance with current Good Manufacturing Practice requirements. We along with our CFA warehousing facilities comply with GDP (Good Distribution Practices) We are continuously focussed on improving our quality culture across the organisation 	Negative
3	Pharmacovigilance (PV)	Risk	Our patients health may be impacted if we are not able to monitor and prevent the adverse side effects caused by our drugs.	<ul style="list-style-type: none"> We have a mature system in place to continuously monitor the benefit-risk profile of our products to ensure benefits outweigh the product-related safety risks for patients Our pharmacovigilance standards are in line with globally recognised safety benchmarks, and we maintain compliance with region/ country-specific legislative requirements All employees go through an annual mandatory pharmacovigilance training 	Negative



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Sl. 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 or opportunity (Indicate positive or negative implications)
4	Water Management Waste Management	Risk/ Opportunity	The potential risks to water and sanitation services posed by climate change include damage to infrastructure, leading to the loss of services, and deterioration in water quality – impacts that all increase risks to health. Water is a critical input into the manufacturing of medicines, used as a raw material in the production, processing and formulation of APIs, intermediates and finished pharmaceutical products (FPP), in the preparation of solvents and reagents, and for cleaning (e.g. washing and rinsing).	<ul style="list-style-type: none"> Water risks are assessed as part of an established enterprise risk management framework periodically. We conducted thorough water risk and evaluation studies in all of our watersheds to identify alternative rich water resources Our water management strategy involves key focus areas including water efficiency and optimisation, identifying alternate water sources for water security, and creating freshwater potential beyond the fence. Since FY2023, we are a water positive company. We do not discharge any water to the surface, ground, or sea, and therefore do not emit any substance or pollutants to any form of water We have waste management systems in place at all our facilities. We do not dispose any non-hazardous waste through landfill or incineration. Our non-hazardous waste is either recycled, reused, or recovered through other means 	Negative/Positive
5	Energy and emissions management	Risk	The close relationship between health and climate is undeniable, as illustrated by the consequences of extreme weather events on food security, the harmful air pollution resulting from wildfires, and the rising prevalence of infectious diseases. As a pharmaceutical company, the bulk of direct emissions come from running boilers and indirect emissions from purchased electricity.	<ul style="list-style-type: none"> We are committed to leading the energy transition with a goal to be 100% powered by renewable sources by 2030, and to be a carbon neutral company in our direct operations by 2030 Our decarbonisation strategy focusses on energy mix, conservation, performance, transition, and eventually carbon sequestration with meaningful investments in afforestation and sustainable agriculture. This includes reducing our energy consumption with energy-efficient technologies and processes, adopting low or no carbon fuels, substituting fossil fuels in boilers with alternate biomass fuel sources such as rice husk and sawdust briquettes, purchasing energy from renewable sources, and realigning our business operations to lower emissions 	Negative

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Sl. 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 or opportunity (Indicate positive or negative implications)
6	Talent attraction and retention	Risk	The ability to attract and retain the right technical talent with required skill sets is a challenge. The industry is highly knowledge-driven and technology-based, and heavily reliant on specialist individuals.	<ul style="list-style-type: none"> We use analytics to measure employee performance, identify current skill gaps, and address risks to improve retention We actively address and resolve structural talent gaps by providing long-term reskilling and upskilling opportunities to our workforce, including digital learning initiatives We embed workforce planning into our operations strategy, and this helps in fostering internal mobility for well-suited roles, enhancing people productivity and containing staff costs We are maintaining an internal pipeline of qualified and experienced critical talent, particularly in specialised fields, to deliver our business priorities 	Negative
7	Promoting diversity and inclusion	Opportunity	We fully appreciate the significance of diversity to our organisation, as it fosters new perspectives, diverse experiences, novel concepts, and inventive approaches that can provide sustainable value creation for our stakeholders over the long term. We promote inclusiveness through concerted interventions across different business and embrace their distinctiveness.	<ul style="list-style-type: none"> Over the last year, concerted interventions to increase gender diversity across different dimensions of hiring, sensitisation, communication and policy revamp helped in increasing women diversity We are also working to increase the representation of women across roles and teams, exploring new entry level routes such as apprentice hiring and actively recruiting women for STEM roles, while increasing our representation of women in manufacturing and sales roles Through our female leadership development programmes, mentoring initiatives, representation in external forums and coaching programmes, we are invested in career development for women leaders We are working closely with Dr. Reddy's Foundation to increase the representation of Persons with Disabilities (PwDs), introducing a focussed internship programme to acclimatise and absorb PwD employees into the workforce, while also sensitising hiring managers and recruitment teams on infrastructure and support required to enable them to deliver on their job 	Positive



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Sl. 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 or opportunity (Indicate positive or negative implications)
8	Combating counterfeit medicines	Risk	Our industry has been increasingly challenged by the vulnerability of distribution channels to illegal counterfeiting and the presence of counterfeit products in a growing number of markets and over the internet. Third parties may illegally distribute and sell counterfeit versions of our products, which do not meet the rigorous manufacturing and testing standards that our products undergo. Counterfeit products are unsafe or ineffective and can be potentially life-threatening.	<ul style="list-style-type: none"> We are implementing a comprehensive set of measures that includes the implementation of the Drug Supply Chain Security Act (DSCSA) in the US and equivalent regulations in the other geographies such as Russia, Uzbekistan, EU, and worked closely with the Government of India for the implementation of the serialisation guidelines These measures have helped us establish a robust system that enables us to track and trace our medicines from the point of manufacture to the point of dispensing Our investments in serialisation and aggregation continue to help us comply with global regulations and standards, with enhanced operational efficiencies for our downstream partners 	Negative
9	Health education and disease prevention	Opportunity	Health education empowers people to increase control over their health. Disease prevention is important to minimise the burden of diseases and associated risk factors. Primary prevention avoids the manifestation of a disease, and secondary prevention (early detection) improves the chances for positive health outcomes.	<ul style="list-style-type: none"> Through DRFHE (Dr. Reddy's Foundation for Health Education), we are contributing to strengthening of health systems by sharing our expertise to increase patient awareness, and training and upskilling healthcare providers in India Through UDAY (Unite against diabetes & hypertension by raising awareness in community) programme, we are promoting awareness among doctors and support the screening of over 200,000 patients for diabetes and hypertension in India Though CHIP (Community Health Intervention Programme), we are providing doorstep primary healthcare services to rural communities, including increasing awareness on health, hygiene, and disease management practices Our patient counselling initiatives betaInstitut, betaCare, and betaWissen in Germany offer socio-legal and psychosocial information for physicians, pharmacists, patients and their family members 	Positive

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Sl. 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 or opportunity (Indicate positive or negative implications)
10	Technology & Digitalisation	Opportunity	Digital innovation has the potential to improve drug development process, make products and services more personalised, increase engagement with physicians and patients, enable data-driven decision-making, increase productivity in manufacturing operations and supply chain.	<ul style="list-style-type: none"> The opportunity of transformation exists across the value chain and possibilities range from portfolio selection with analytics-based insights, to drug development with in-silico experiments, automated lights out manufacturing with use of Industry 4.0 technologies and dynamic supply chain management. The use of technologies such as Advanced Analytics (AA) and Artificial Intelligence (AI), Digital Performance Management, Virtual Reality (VR), IIoT, Robotic Process Automation (RPA) is helping improve our operations performance and product robustness, enabling us to make data-driven decisions and optimise our processes in real time, resulting in significant efficiency gains and improved quality 	Positive
11	Occupational health and safety	Risk	We recognise that employees form the foundation of our operations, and it is incumbent upon us to prioritise their health, safety, and well-being by furnishing a nurturing and secure work environment.	<ul style="list-style-type: none"> A robust Safety, Health and Environment (SHE) policy governs our employees and applies to all our research, production operations, and business facilities All our employees, including permanent workers and contractors are trained on occupational health and safety, specific work-related hazards, hazardous activities and situations All 21 global formulations manufacturing units are ISO 45001 certified. We have developed and implemented strong Health and Safety systems (H&S) at all our plants Periodic safety assessments against international standards are conducted to evaluate the effectiveness of current systems and appropriate measures are taken to further improve our safety performance continually We launched a new Safety Culture Transformation journey this year - aimed at reshaping our safety culture from within 	Negative



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Sl. 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 or opportunity (Indicate positive or negative implications)
12	Investment in new sustainable technologies	Opportunity	Along with helping reduce our impact on the climate, investment in sustainable technologies also helps us improve resource efficiency, productivity, and yield while cutting down costs, and waste.	<ul style="list-style-type: none"> At our API manufacturing sites, we implement technologies such as Low Temperature Evaporator (LTE) to recover clean water from RO reject water, Brown's gas in boilers to reduce fuel consumption, and Closed Circuit Reverse Osmosis for a smaller footprint than conventional RO systems We used technologies such as Membrane Bio Reactor to reduce the overall footprint of our wastewater treatment facility at Biologics We also implemented a pilot to digitalise our ETP operations to reduce chemicals, consumables, and electricity consumption We have also made ZLD (Zero Liquid Discharge) enhancements such as steam strippers and Agitated Thin Film Dryer (ATFD) that reuse water and waste, and minimise energy consumption 	Positive
13	Business continuity	Risk	We operate in an environment that entails potential challenges and uncertainties arising from geopolitical factors and intricate regulatory frameworks. This includes geopolitical instability, changes in government policies, trade disputes, sanctions, and intricate compliance requirements. These factors can pose risks to operations, supply chains, market access, and overall business performance, requiring proactive monitoring and strategic adaptation to mitigate potential adverse impacts.	<ul style="list-style-type: none"> We are focussed on identification of key business, operational, strategic, and business continuity risks through our ERM and assurance functions We prioritise a sustainable supply chain for the timely availability of our medicines, and to ensure business continuity in the face of disruptions 	Negative

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Sl. 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 or opportunity (Indicate positive or negative implications)
14	Business ethics/bribery and corruption	Risk	Any action by our employees or business partners which are unethical or pertains to bribing and corruption can create a damage to our reputation and business growth.	<ul style="list-style-type: none"> Our Code of Business Conduct and Ethics (COBE) applies to all Directors and employees of our Company, its subsidiaries, and affiliates. It lays down the principles that guide our conduct and strengthens our decision-making, promotes stakeholder trust and works as a defence around our business. COBE has been designed to comply with the requirements of Companies Act, 2013, and the Sarbanes Oxley Act of 2002 and its implementing regulations We conduct our business as per our Anti-Bribery and Anti-Corruption policies, and all applicable laws. While contracts with our suppliers, contractors, and business partners include adherence to our principles concerning ethics, there is also a separate code of conduct required to be followed by our suppliers and service providers, which is modelled on the Principles for Responsible Supply Chain Management (PSCI) and 100% compliance is mandatory. We have a Global Marketing Code which provides minimum set of standards for interaction with healthcare professionals and healthcare institutions while engaging in sales, research, marketing and promotion activities. 	Negative



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Sl. 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 or opportunity (Indicate positive or negative implications)
15	Geo-political risk	Risk	<p>We have operations in certain countries susceptible to political and economic instability that could lead to disruption or other adverse impact on such operations.</p> <p>Significant portions of our manufacturing operations are conducted outside the markets in which our products are sold, and accordingly we often import a substantial number of products into such markets. We may, therefore, be denied access to our customers or suppliers or denied the ability to ship products from any of our sites as a result of closing of the borders of the countries in which we sell our products, or in which our operations are located, due to economic, legislative, political and military conditions, including hostilities and acts of terror, in such countries.</p>	<ul style="list-style-type: none"> We continue to monitor the effects of military conflict, as well as to monitor significant political, legal, regulatory and other susceptible economic developments in these regions and attempt to mitigate our exposure where possible For suppliers based out of conflict-prone regions or at risk of geopolitical instability or having a high-risk exposure, we have taken measures including building up inventory, assessing alternate channels for supply of materials etc. 	Negative
16	Data security, data privacy, and cybersecurity	Risk	<p>Our business is dependent upon increasingly complex and interdependent information technology systems, including internet and cloud-based systems, to support our business processes. Our business is dependent on outsourcing and collaboration, which requires exchanging data and information. The size and complexity and interconnectivity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion, computer viruses and other cyber-attacks.</p> <p>We are subject to data privacy and security laws and regulations in many different jurisdictions and countries where we do business, and our or our partners' failure to comply could result in fines, penalties, reputational damage, and could impact the way we operate our business.</p>	<ul style="list-style-type: none"> Our Information Security Management System (ISMS) is based on internationally recognised frameworks such as ISO 27001 standard published by the International Organization for Standardization and the Cybersecurity Framework published by the U.S. National Institute of Standards and Technology. We use a comprehensive technology stack to implement the above control framework and carry out periodic independent assessments to review the effectiveness of these controls. Any gaps identified in the control framework goes through an established risk management process We have an IT disaster recovery plan in place for our key applications in order to minimise impacts from any unanticipated events and breakdowns We maintain cybersecurity insurance, and our third party service providers have invested in measures to reduce these risks We recognise the fundamental privacy rights of all individuals we interact with. We are committed to responsibly using personal information in accordance with the data privacy laws in all the countries we operate in 	Negative

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

Sl. 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 or opportunity (Indicate positive or negative implications)
17	Supply chain	Risk	<p>If there is delay and/or failure in supplies of materials, services, and finished goods from third parties or failure of finished goods from our manufacturing sites, it may adversely affect our business and operations.</p> <p>We may experience difficulties, delays and interruptions in the manufacturing and supply of our products for various reasons, including supply chain disruptions, including those due to natural or man-made disasters at our facilities or at a critical supplier or vendor.</p>	<ul style="list-style-type: none"> We actively manage third-party relationships to ensure continuity of supplies and services on time and to our required specifications We utilise a broad base of suppliers in order to minimise risk arising from dependence on a single supplier For each of our products, we continue to identify, upgrade, and develop alternate vendors as part of risk mitigation and continual improvement We are also conducting ESG assessment for our Strategic Suppliers. Based on the results of the evaluation, we will identify potential high-risk suppliers and develop a mitigation plan based on the risk classification 	Negative
18	Product development	Risk	<p>The manufacturing and development of our products is highly technical, lengthy, and complex, and dependent on several factors including the availability of raw materials, specialised manufacturing facilities, and qualified talent. There is also a high dependency on obtaining regulatory approvals at the right time and ensuring product and price competitiveness. A delay or inadequacy in either of these could cause a significant erosion in value, and impact our ability to deliver on our commercial priorities.</p>	<ul style="list-style-type: none"> We continuously seek to enhance our capabilities by up-skilling our people and hire the right talent We adopt new technologies to bring innovation and automate our processes for higher efficiency We amplify our research and development efforts through collaboration with partners and contract research organisations which have the capability to handle complex technologies and products 	Negative



SECTION B MANAGEMENT AND PROCESS DISCLOSURES

Disclosure question	P-1	P-2	P-3	P-4	P-5	P-6	P-7	P-8	P-9	
Policy and management process										
1. A. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)					Yes					
B. Has the policy been approved by the Board? (Yes/No)					Yes (Note 1)					
C. Web-link of the Policies, if available					Note 2					
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes. The Company's Code of Business Conduct and Ethics (COBE) and/or other policies imbibes the above-mentioned principles and the Company expects its stakeholders to adhere to the same in all their dealings.									
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. The Company's Code of Business Conduct and Ethics (COBE) and/or other policies imbibes the above-mentioned principles and the Company expects its stakeholders to adhere to the same in all their dealings.									
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.	GRI Standards 2021, UN SDGs, SA8000, NGRBC	GRI Standards 2021, UN SDGs, ISO 14001, cGMP	GRI Standards 2021, UN SDGs, SA8000, UN Guiding Principles on Business and Human Rights, ILO Conventions and Codes of Practice, Universal Declaration of Human Rights	GRI Standards 2021, UN SDGs	GRI Standards 2021, UN SA8000, UN Guiding Principles on Business and Human Rights, ILO Conventions and Codes of Practice, Universal Declaration of Human Rights	GRI Standards 2021, UN SDGs, ISO 14001, ISO 45001	GRI Standards 2021, UN SDGs	GRI Standards 2021, UN SDGs	GRI Standards 2021, UN SDGs, National Standards-CSR Rules prescribed by the Companies Act, 2013	GRI Standards 2021, UN SDGs, ISO 27001
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.					Note 3					
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.					Note 4					
Governance, leadership and oversight										
7. Statement by director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements	<p>We are committed to making business truly sustainable and responsible. We announced our refreshed Environmental, Social, Governance (ESG) goals in 2022. As a Company with two decades of leadership in Indian pharma, we saw it as our responsibility to set the bar high. Going beyond environment, we have set ourselves bold and measurable goals on patients, employees and governance. The most distinctive aspect of our approach is that our sustainability agenda is now embedded in business strategy. Our ESG agenda is aimed at serving planet, purpose and people, and generating value for all stakeholders. Through technological progress and manufacturing excellence, we focus on expanding access and affordability to safe, effective and high-quality medicines that our patients and customers rely on us for, because Good Health Can't Wait.</p> <p>G V Prasad, Co-Chairman and Managing Director</p>									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	<p>Mr. Erez Israeli, Chief Executive Officer Tel: +91-40-4900-2222 E-mail ID: shares@drreddys.com</p>									
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	<p>The Company has "Sustainability and CSR Committee" to act as nodal committee to review ESG strategies and programmes, policies, disclosures and overall sustainability goals and progress, amongst others. The detailed Charter of the said Committee including the terms of reference on sustainability matters are available on the website of the Company: https://www.drreddys.com/cms/cms/sites/default/files/static/SCSR-Committee-Charter-19052022.pdf.</p> <p>Further, from ESG perspective, various other Board Committees also review the matter within the purview of their respective charters. The respective Committees also updates the Board regarding deliberation and reviews on such matters.</p>									

Note 1: The statutory policies are approved by the Board or Board Committees, as applicable. Other applicable policies are either approved by the Board or by the appropriate authority.

Note 2: <https://www.drreddys.com/media/983676/cobe-booklet-v40.pdf>
<https://www.drreddys.com/cms/cms/sites/default/files/2021-12/Ombudsperson.pdf>
<https://www.drreddys.com/cms/cms/sites/default/files/2022-09/ABAC%20policy.pdf>
<https://www.drreddys.com/media/888147/she-policy-document-24-07-2020.pdf>
https://www.drreddys.com/media/899536/human-rights-policy_01092020.pdf
https://www.drreddys.com/cms/cms/sites/default/files/2023-08/5591-Biodiversity%20Policy%20Board_A3_English%20%281%29.pdf
<https://www.drreddys.com/cms/cms/sites/default/files/2024-02/Advocacy%20and%20Public%20Policy.pdf>
<https://www.drreddys.com/cms/cms/sites/default/files/2023-04/Energy%20Policy%20-%20A3%20-%20Landscape.pdf>
<https://www.drreddys.com/media/993225/csr-policy.pdf>
<https://www.drreddys.com/cms/cms/sites/default/files/static/supplier-code-of-conduct-new.pdf>

Note 3: We strengthened our commitment to sustainability and announced new environmental, social, and governance (ESG) goals for 2030 to make more meaningful impact through our sustainable development strategy.

A. Being committed to environmental stewardship: Reducing carbon emissions

- 100% renewable power (RE100) by 2030
- Carbon neutral in direct operations (Scope 1 and 2 emissions) by 2030
- 12.5% reduction in our indirect carbon emissions (Scope 3) by 2030

Water positivity:

- Water positive by 2025

B. Making our products accessible and affordable for patients

Access:

- Serve 1.5 bn+ patients by 2030

Affordability:

- 25% of our new launches to be the first to market by 2027

Innovation:

- 3 innovative solutions (products, services and platforms) every year to improve standard of treatment from 2027

C. Contributing to a fairer and more socially inclusive world

Equity, diversity and inclusion

- At least 35% women in senior leadership by 2030
- Gender parity by 2035
- 3% of our workforce to be Persons with Disability (PwD) by 2030
- Ensure 100% living wages for our extended workforce by 2025

D. Enhancing trust with our stakeholders

Compliance, Ethics, and Corporate governance:

- Meet the highest standards on compliance and ethics backed by robust corporate governance

Disclosures and reporting

- Enhance our disclosures to reach top quartile by 2025

Suppliers

- 100% of our strategic suppliers to be compliant with our chosen ESG framework by 2030

Note 4: Details regarding our ESG goals and progress is given in the respective initial section from pages 30 to 59 of the Integrated Report.



10. Details of Review of NGRBCs by the Company

Subject for review	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow-up action	The Sustainability and CSR Committee reviews the performance against the ESG goals and targets of the Company. The Committee also reviews ESG strategies and programmes, policies, disclosures and related matters. The Committee updates the Board regarding deliberation and reviews on such matters. The Company has constituted internal Sustainability Council which reviews the performance against the ESG goals and targets. The policies of the Company are reviewed periodically or on need basis by the respective department heads/business heads/Executive Directors. During such assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.								
	The Sustainability and CSR Committee reviews the performance on quarterly basis.								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company has constituted an internal Sustainability Council which reviews Compliance with the statutory requirements of relevance to the principles and rectification of any non-compliances, if any. The Council reviews the compliances periodically.								
	The same is also reviewed by the Sustainability and CSR Committee on a quarterly basis.								

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

The processes and compliances are subject to scrutiny by internal auditors and the status of compliances are updated to the Board. From best practices as well as from a risk perspective, policies are periodically evaluated and updated by various department heads/business heads and approved by the management/the Board Committees/the Board. Some of the policies of the Company were evaluated by KPMG and DNV Business Assurance India Private Limited (DNV). An internal assessment of the workings of the BR policies has been done.

The independent assessment by DNV Business Assurance India Private Limited (DNV) has been done as part of the limited/reasonable assurance of BRSR.

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:
Not applicable

SECTION C PRINCIPLEWISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel (KMPs)	5	Familiarisation/awareness programme and Board retreat for the Board of Directors/KMPs of the Company is done periodically as part of Board process covering various areas pertaining to the business, strategy, risks, operations, regulations, Code of Business Conduct and Ethics (COBE), economy and environmental, social and governance parameters. In addition, frequent updates are shared with all the Board members/KMPs to apprise them of developments in the Company, key regulatory changes, risks, compliances and legal cases.	100

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
Employees other than BODs and KMPs	34,697	The employees/workers of the Company undergo various training programmes throughout the year. Many trainings programmes followed a blended learning approach which entailed virtual classroom initiatives, along with dissemination of e-learning modules.	70%
Workers	642	Various trainings were undertaken during the year includes training on COBE, Insider Trading Code, prevention of sexual harassment at workplace, information and cyber security awareness, Know Your Customer guidelines, and a learning module on ESG. Other trainings included induction programmes for new recruits, leadership training, IT and cyber security and modules on soft skills, programmes on mental and physical well-being, among several others. Regular mailers are sent to employees on ethics, health, ESG and other relevant topics as part of the awareness programmes. The various updates are also placed at the intranet platforms of the Company.	99%

2. **Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)**

Monetary

	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutes	Amount (₹)	Brief of the Case	Has an appeal been preferred (Yes/No)
Penalty/Fine		In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015, the applicable disclosures are made to the stock exchanges. The same is available on the website of the stock exchanges as well as on the Company's website at https://www.drreddys.com/investor#investor-services#other-stock-exchange-intimations			
Settlement			Nil		
Compounding fees					

Non-monetary

	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutes	Amount (₹)	Brief of the Case	Has an appeal been preferred (Yes/No)
Imprisonment					
Punishment			Nil		

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. We have an Anti-bribery and Anti-corruption policy. The policy has been developed in alignment with our Code of Business Conduct and Ethics (COBE), other internal policies such as Ombudsperson policy and other rules and regulations



relevant to Anti-Bribery and Anti-Corruption that govern the Company because of its geographical presence in multiple countries. The policy reiterates that the Company does not tolerate any bribery and corruption directly or indirectly and upholds the highest standards of integrity and transparency in all its interactions and business activities. The Anti-bribery and Anti-corruption policy is available on the intranet platform of the Company.

The policy forms part of the COBE, applies to all members of the Board of Directors, full and part-time employees of the Company, its subsidiaries and affiliates. All business partners are also expected to follow the same standard of ethics when conducting business with the Company or on its behalf. (<https://www.drreddys.com/investor#governance>)

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

	FY2024	FY2023
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest

	FY2024	FY2023	FY2024	FY2023
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the directors	Nil	Not applicable	Nil	Not applicable
Number of complaints received in relation to issues of conflict of interest of the KMPs				

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)

Particulars	FY2024	FY2023
Number of days of accounts payables ¹	80	84

¹ Number of days of accounts payables is calculated on procurement of materials.

9. Open-ness of business

Details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties:

Parameter	Metrics	FY2024	FY2023
Concentration of Purchases	a) Purchases from trading houses as % of total purchases	Nil	Nil
	b) Number of trading houses from where purchases are made from	Nil	Nil
	c) Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales ¹	a) Sales to dealers/distributors as % of total sales	31.0	34.1
	b) Number of dealers/distributors to whom sales are made	7,375	7,095
	c) Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	17.6	15.6
Share of RPTs in	a) Purchases (purchases with related parties/total purchases) – %	0.52	0.44
	b) Sales (sales to related parties/total sales)	Nil	Nil
	c) Loans & advances (loans & advances given to related parties/total loans & advances)	Nil	Nil
	d) Investments (investments in related parties/total investments made)	Nil	Nil

¹ Based on standalone financials.

Leadership Indicators

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

Sr.	Total number of awareness programmes held	Topics/principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	545	Defensive Driving training & Road safety awareness	98
2	8	ESG Capability Building Programme	11

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 a Conflict of Interest Policy which lays down the principles and standards that govern the actions of the Company including its subsidiaries, joint ventures and its directors, officers and employees (full time or part time, contract employees and consultants). This Policy provides guidance for recognising, reporting and resolution of any actual, potential or perceived conflict of interest.

Further, as part of the Governance ecosystem, the Company has adopted best practices on reviews of conflict of interest of Directors. In case any director is getting appointed or associated with any new organisation, such director makes proactive disclosure of his association with the new organisation to the Chairman and the Company Secretary. The said disclosure is placed before the next meeting of the Nomination, Governance and Compensation Committee (NGCC) for reviewing the conflict or potential conflict of situation of such director, if any, with the Company after being associated with new organisation. The Director's disclosures are also placed before the Board and conflict of interest, if any, are discussed and reviewed by the Board. The Board collectively is responsible for decision-making on conflict of interest disclosed to the Board for any business decisions, wherein any of the Directors are interested.

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

	FY2024	FY2023	Details of improvements in environmental and social impacts
R&D	100	100	R&D expenditure in various technologies is focussed on improving the environmental and social impacts of our products/processes
Capex	2.0	3.3	Reduction in usage of non-renewable energy sources. Reduction of freshwater footprint in plants by reusing grey water.

2. a. Does the entity have procedures in place for sustainable sourcing

Yes, the Company has procedures in place for sustainable sourcing.

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

100% of our inputs are sourced from suppliers who abide by our Supplier Code of Conduct. Our Supplier Code of Conduct has a clear policy on sustainability requirements. As a future step, we have identified strategic suppliers and developed ESG framework for assessing our strategic suppliers.



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)	<p>We have waste management systems in place at all our facilities. Plastic waste is either co-processed or recycled based upon the type of waste generated. E-waste is sold to authorised vendors. 99% of our global hazardous waste is sent to cement industries and recyclers for co-processing and recycling. The remaining 1% of global hazardous waste is sent to landfill. Other non-hazardous waste such as glass, MS scrap, wood waste, and boiler ash, etc. are sent to recyclers, cement industries for co-processing or to brick manufacturers.</p> <p>We also monitor the waste management in further value chain wherein all our expired products are incinerated at authorised destruction vendor.</p> <p>Other waste like plastic drums/pallets etc. used for transportation are sold out to scrap vendors who are known for either re-use/recycle.</p>
(b) E-waste	
(c) Hazardous waste	
(d) Other waste	

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, we work in compliance with India’s Plastic Waste Management Rules, 2016 (subsequent abatements) and the Extended Producer Responsibility (EPR) guidelines. Our waste collection plan is in line with the EPR plan submitted to Pollution Control Board (PCB). During the year FY2024, we have fulfilled the target by recycling and end of life as per the EPR requirements.

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

Yes, we have completed LCA for three of our Active Pharmaceutical Ingredient (API) products during the year FY2024.

Sl. No.	NIC Code	Name of Product/ Service	%age 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
1	21009	Clopidogrel	0.48%	Cradle to gate	Yes	No	Not Applicable
2	21009	Fexofenadine	0.01%	Cradle to gate	Yes	No	Not Applicable
3	21009	Metoprolol	0.0001%	Cradle to gate	Yes	No	Not Applicable

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

Action taken to mitigate significant social or environmental concerns and/or risks arising from production or disposal of products/services

Sr.	Name of product/service	Description of the risk/concern	Action taken
		There were no significant social or environmental concerns raised from the LCA analysis of our three API products.	

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)

Not applicable. As in the pharmaceutical industry, we can’t use recycled or reused input materials in the manufacturing process due to contamination issues as well as its nature of products. However, in some of our operations, we recover the spent solvent through solvent recovery system and reuse the same in our operations.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed

	FY2024			FY2023		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	0	0	0	0	0	0
E-waste	0	0	0	0	0	0
Hazardous waste – Expired Product	0	0	895 tonnes	0	0	809 tonnes
Other waste	Cold boxes- 31,376 units	0	0	Cold boxes- 16,800 units	0	0

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

Sr. No.	Indicate product category	Reclaimed products and their packaging materials as %age of total products sold in respective category
1	Cold boxes	90% of these boxes are reused at CFA or stockist level

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	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefit		Paternity Benefits		Day Care Facilities	
		No.	%	No.	%	No.	%	No.	%	No.	%
Permanent employees											
Male	21,119	21,119	100	21,119	100	NA	NA	21,119	100	21,119	100
Female	5,219	5,219	100	5,219	100	5,219	100	NA	NA	5,219	100
Other	5	5	100	5	100	0	0	0	0	5	100
Total	26,343	26,343	100	26,343	100	5,219	100	21,119	100	26,343	100
Other than permanent employees											
Male	5,476	5,476	100	5,476	100	NA	NA	5,476	100	5,476	100
Female	2,750	2,750	100	2,750	100	2,750	100	NA	NA	2,750	100
Other	0	0	0	0	0	0	0	0	0	0	0
Total	8,226	8,226	100	8,226	100	2,750	100	5,476	100	8,226	100

NA – Not applicable

1. B. Details of measures for the well-being of workers

Category	Total	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefit		Paternity Benefits		Day Care Facilities	
		No.	%	No.	%	No.	%	No.	%	No.	%
Permanent workers											
Male	600	600	100	600	100	NA	NA	600	100	600	100
Female	43	43	100	43	100	43	100	NA	NA	43	100
Other	0	0	0	0	0	0	0	0	0	0	0
Total	643	643	100	643	100	43	100	600	100	643	100
Other than permanent workers											
Male	6,936	0	0	0	0	NA	NA	0	0	6,936	100
Female	1,721	0	0	0	0	0	0	NA	NA	1,721	100
Other	0	0	0	0	0	0	0	0	0	0	0
Total	8,657	0	0	0	0	0	0	0	0	8,657	100



1. C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent)

	FY2024	FY2023
Cost incurred on well-being measures as a % of total revenue of the Company ¹	0.2	0.2

¹ Based on standalone basis

2. Details of retirement benefits, for current financial year and previous financial year

Benefits	FY2024			FY2023		
	No. of employees covered as a % of total employee	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	Yes	100	100	Yes
Gratuity	100	100	NA	100	100	NA
ESI	2.9	0	Yes	2.7	0	Yes
Others – Superannuation	3	NA	NA	3.5	NA	NA

NA - Not applicable

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. The premises/offices of the Company, including the registered and corporate offices have ramps or elevators to enable easy movement. Most offices are located either on the ground floor or have elevators and infrastructure for differently abled individuals. Wheelchair accessible restrooms are also available at certain premises. We conduct infrastructure audits regularly with the increase in differently abled employees in the organisation. All offices located in and around the headquarters, Hyderabad, India have been audited for physical and digital accessibility and remedial steps are being followed to enable people with disabilities further. An Employee Resource Group (ERG) for people with disabilities has been established to support and enable inclusion further within our workplace. Regular sensitisation of employees is conducted in partnership with Dr. Reddy's Foundation when people with disabilities are hired in the organisation

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 Code of Business Conduct and Ethics (COBE) of the Company provides for an Equal Opportunity Policy to create an inclusive work environment by fostering diversity in the workplace, and to treat all employees equally irrespective of gender, age, physical disability, creed, religion, sexual orientation, racial background, pregnancy, place of origin, caste, political affiliation or other discriminatory factors. We value diversity in our workforce and thus encourage and nurture talent within the organisation. We work best when there is an atmosphere of mutual trust and co-operation. The policy is available at the Company's website at: <https://www.drreddys.com/cms/cms/sites/default/files/2021-11/cobe-booklet-v40.pdf>.

Further, the Equal Employment Opportunity (EEO) Statement states that the Company maintains a work environment, that is free from discrimination, and is an equal opportunity employer. We are committed to employ and nurture all qualified diverse workforce without regard to race, colour, religion, national origin, sex, age, disability status, genetics, sexual orientation, gender identity or expression, marital status, citizenship or any other characteristic or classification protected by the applicable law(s) of the countries we operate in. We apply these principles in all aspects of employment, including recruitment, hiring, placement, promotion, termination, lay off, transfer, leaves of absence, training and compensation. The Company assures all employees that no individual filing a complaint will be discriminated against, as a result of their complaint. The policy is available at the Company's career website at: <https://careers.drreddys.com/#/#eoo-statement>.

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	99.7	83.9	0	0
Female	96.1	81.3	0	0
Others	0	0	0	0
Total	99.1	83.6	0	0

6. Mechanism available to receive and redress grievances for the following categories of employees and workers, if yes, details of the mechanism in brief

	Yes/No	(If Yes, then give details of the mechanism in brief)
Permanent workers	Yes	The Company has an Ombudsperson Policy (whistle-blower or vigil mechanism) applicable to employees and third parties, to report concerns on actual or suspected violations of the code or any applicable laws and regulations. The Audit Committee Chairperson is the Chief Ombudsperson.
Other than permanent workers	Yes	
Permanent employees	Yes	Concerns raised to the Company and their resolution are reported through the Chief Ombudsperson to the Audit Committee and where applicable, to the Board. The policy provides avenues to report concerns directly to the Compliance Team. Refer link of the policy and reporting channels separately mentioned below. Ombudsperson Policy Link: https://www.drreddys.com/investor#governance Ombudsperson reporting channel website link: https://drreddys.ethicspoint.com/
Other than permanent employees	Yes	

7. Membership of employees and workers in association(s) or unions recognised by the Company

Category	FY2024			FY2023		
	Total employees/ workers in respective category	No. of employees/ workers in respective category, who are part of association(s) or union	%	Total employees/ workers in respective category	No. of employees/ workers in respective category, who are part of association(s) or union	%
Total permanent employees	26,343	0	0.0	24,832	0	0.0
Male	21,119	0	0.0	20,033	0	0.0
Female	5,219	0	0.0	4,792	0	0.0
Other	5	0	0.0	7	0	0.0
Total permanent workers	643	435	67.7	666	573	86.0
Male	600	417	69.5	621	555	89.4
Female	43	18	41.9	45	18	40.0
Other	0	0	0.0	0	0	0.0

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

	FY2024					FY2023				
	Total	On health and safety measures		On skill upgradation		Total	On health and safety measures		On skill upgradation	
		Nos.	%	Nos.	%		Nos.	%	Nos.	%
Employees										
Male	21,119	9,095	43.1	19,006	90.0	20,033	6,495	32.4	19,655	98.1
Female	5,219	2,105	40.3	5,219	100	4,792	1,145	23.9	4,511	94.1
Other	5	1	20.0	5	100	7	0	0	5	71.4
Total	26,343	11,201	42.5	24,230	92.0	24,832	7,640	30.8	24,171	97.4
Workers										
Male	600	347	57.8	595	99.2	621	260	41.9	372	59.8
Female	43	43	100	43	100	45	18	40.0	40	88.9
Other	0	0	0	0	0	0	0	0	0	0.0
Total	643	390	60.7	638	99.2	666	278	41.7	412	61.9

9. Details of performance and career development reviews of employees and workers

	FY2024			FY2023		
	Total	Nos.	%	Total	Nos.	%
Employees						
Male	21,119	20,822	98.6	20,033	20,033	100
Female	5,219	5,107	97.9	4,792	4,792	100
Other	5	5	100	7	7	100
Total	26,343	25,934	98.4	24,832	24,832	100
Workers						
Male	600	57	9.5	621	621	100
Female	43	24	55.8	45	45	100
Other	0	0	0.0	0	0	0.0
Total	643	81	12.6	666	666	100

Note: Performance and career development reviews have been done for all eligible employees and workers

10. Health and safety management system**a. Whether an occupational health and safety management system has been implemented by the entity. If yes, the coverage of such system**

Yes, we have implemented an occupational health and safety management system. All our Indian manufacturing facilities are certified under ISO 45000. The coverage is 100% of our entity, and it includes both regular employees and contractors.

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

Yes, we have developed a guidance document which provides the course on how to identify, evaluate Safety, Health and Environment (SH&E) risks and reduce them to an acceptable level by strengthening existing control and or incorporating additional controls for all the activities within premises of the organisation. The guideline clearly outlines the role and responsibilities.

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

Yes, every department head interacts with all members on Safety matters daily through toolbox talk. In this forum, workmen actively participate and give suggestions and feedback for improvements.

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

Yes, Employees have access to non-occupational medical and healthcare services via the medical insurance. MHI (My Health Index) includes Diet Coach (Dietician), Fitness Coach (Physiotherapist) and Happiness Coach (Psychologist) which is being run at some sites of the Company in India that have holistic healthcare services available on site.

11. Details of safety-related incidents

Safety Incident/Number	Category	FY2024	FY2023
Lost Time Injury Frequency Rate (LTIFR) (per one mn-person hours worked)	Employees	0.14	0.28
	Workers ¹	0.14	0.21
Total recordable work-related injuries	Employees	22	17
	Workers ¹	19	10
No. of fatalities	Employees	0	1
	Workers ¹	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers ¹	1	0

¹ Workers means other than permanent workers

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

We emphasise strongly on the health, safety, and well-being of our people. We continuously strive to create a work environment that is free from any occupational hazards, regardless of where our people are located or what type of work they carry out. We have developed and implemented strong Health and Safety systems at all our plants. These systems are guided and driven by our established policies and procedures. Periodic assessments are conducted to evaluate the effectiveness of the systems implemented and appropriate measures are taken to further improve our Health & Safety performance continually.

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

	FY2024			FY2023		
	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	0	0	-	0	0	-
Health & Safety	2	1	-	0	0	-

14. Assessments for the year

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

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

Not applicable

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)**
Yes, it extends to both employees and workers.
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners**
The Company ensures that statutory dues as applicable to the transactions within its remit are deducted and deposited in accordance with existing regulations. This activity is also reviewed as part of the internal and statutory audit. 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 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	
	FY2024	FY2023	FY2024	FY 2022-23
Employees	0	0	0	0
Workers	1	0	Given suitable medical care and salary being paid	0

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

Yes, the Company provides transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

5. Details on assessment of value chain partners

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	We conduct periodic supplier risk assessments for our suppliers chain partners through a third party to better understand our value chain risk exposure. During the year, 25.5% of our value chain partners (India direct spend) have been evaluated on multiple ESG parameters.
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

We have shared corrective action reports post onsite assessment for critical and strategic suppliers and noted that there are no major risks/concerns with regards to the health & safety practices & working conditions.

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 consider individuals, groups, institutions, or entities that contribute to shaping our business, that add value or constitute a core part of the business value chain as key stakeholders. Our stakeholders are both internal and external, and direct as well as indirect. Our process of identification and classification of the stakeholders is defined by their interest, impact and participation in operations of the Company including engagement on various environmental, social and governance matters. Delivering on stakeholder needs, interests and expectations are integral to the way we operate. We keenly listen to our stakeholders and have established various touchpoints and tools for communication, advocacy and engagement. Our key stakeholders include employees, investors, suppliers and partners, customers, government authorities, healthcare professionals, patients and the community.

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

Sr.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Employees	No	We use digital as well as physical channels of communication including but not limited to e-mails, newsletters, intranet, townhalls and leadership touchpoints, pulse surveys for employee feedback and redressal, and appraisal and training programmes for personal and professional growth.	Daily	Through multiple physical and digital channels of communication, we aim to provide our employees a safe, inclusive and empowering workplace that encourages transparent engagement and the freedom to act, innovate and grow as professionals and individuals. Our ongoing effort is to maintain two-way engagement with colleagues globally including those in corporate offices, R&D laboratories, manufacturing locations and in the field. Our engagement ranges from discussing the Company's strategy, growth opportunities, operational execution, industry developments, employee performance and career growth opportunities, capability building, recognition and celebrations.
2	Investors	No	We interact with our shareholders, potential investors and research analysts through investor meetings/calls, conferences, earnings call, investor events, e-mail, press releases, stock exchange intimations, investor presentations and annual reports. We also provide various updates on our website and other places of engagement.	Frequent and need-based	We engage with investors to update on the business and financial performance, the Company's strategy and growth levers, potential opportunities and risks, our ESG goals/actions, and material events which may have a positive or negative impact on the performance of the Company.
3	Patients	Yes, depending on various factors such as health, income, access and others	We engage with patients through multiple assistance programmes, financial assistance, lifestyle support, education, counselling, disease management and awareness initiatives. We also use different marketing channels (print, digital, social media) to inform patients about our OTC products. Customer support services are also provided to report any feedback/adverse effects from our products.	Frequent and need-based	Patient-centricity is the core tenet of our strategy. Through our customer assistance and outreach programmes, we educate, provide support, create awareness, and increase adherence to improve the health of our patients. Being closer to the patient also allows us to identify and address the unmet patient needs and develop better products/services for the patients. We address patient related queries/feedback and any drug-related concerns.



Sr.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
4	Health Care Professionals	No	We use physical and digital channels such as e-mail, webinar/conferences, electronic updates, portals as well as in-person visits and collaterals.	Frequent and need-based	Our engagement aims to update healthcare professionals on products, innovations, access, availability of our medicines and healthcare solutions. Engagement also includes discussion on therapy advances, science of medicines and patient needs.
5	Customers	No	Physical and virtual meetings, customer events, calls, e-mail, website	Daily	We engage with our customers to ensure regular supply of the products, keep them informed about new products, participate in the bids/tenders, maximise the outreach of our products and to assess customer satisfaction.
6	Supplier's & Partner's	No	On-site meetings, virtual meeting, business partner's meet, supplier forums, partner events, calls, e-mail, satisfaction survey, website	Frequent/ Quarterly Governance calls/Annual meet	Making a holistic impact on the health of patients worldwide requires us to work with partners across the healthcare value chain. We emphasise fair, transparent, and ethical practices and seek partners who share the same commitment towards compliance with laws, regulations, published standards and environmental practices. Our supplier engagement includes capability building programmes, audit CAPA governance and tracking, business partner meets and includes discussions on our ESG goals, efficiency in manufacturing, stronger quality management practices, human rights policies and standards, and working together to advance our sustainability agenda.
7	Government authorities	No	Our interactions with authorities take place through e-mails, meetings, audits, representations, filings and submissions.	Need-based	Our engagement with official authorities is multi-fold. With regulatory authorities, our engagement is aimed at discharging responsibilities and furthering our core business of product development, launch, manufacturing, etc. in keeping with the latest and highest standards of compliance. With policy-makers, our engagement aims to understand and discuss matters pertaining to the industry. We do advocacy and make representations on various regulatory and policy issues to strengthen the healthcare eco-system through policy interventions and ensure timely access to quality medicines at affordable prices.
8	Community	Yes, depending on various factors such as health, income and others	Our engagement with the community includes interactions, collaborations, onsite visits, email and other digital channels.	Frequent and need-based	With giving back to society as a core tenet of the Company, our corporate social responsibility and employee volunteering programmes target the areas of education, skilling and livelihood, health and environmental sustainability through partners and local NGOs. We also run training, awareness and empowerment programmes. We engage with local community to understand their challenges and work for their sustainable development.

Sr.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
9	Third Party logistics service provider's and CFA's	No	Onsite/virtual meetings, email, annual meet, training and awareness programmes	Frequent	Our engagement with third party logistics service provider's and CFA's is to ensure safe transportation, warehousing and ensuring availability of our medicines. We also reward and recognise third party logistics service providers for road safety practices. Through the driver management centre, we train and counsel the transporters on behavioural safety to ensure zero road accidents.
10	Contract Workforce	No	Meetings, discussions, trainings and toolbox talks	Frequent	To ensure the job assigned are performed timely and in a safe manner. We also create awareness on health, safety and environmental practices.

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

Based on the consultation and feedback received with the respective stakeholder groups, the material topics on economic, environmental and social are discussed and analysed by the relevant business and functional heads. The material topics on ESG matters are discussed and reviewed at the internal Sustainability Committee which is comprising of Co-Chairman and Managing Director, Chief Executive Officer and members of Management Council.

The Board has designated Sustainability and CSR Committee of the Board to act as nodal committee to review ESG strategies and programmes, policies, disclosures and overall sustainability goals and progress, amongst others. Further, from ESG perspective, various other Board Committees also reviews the matters within the purview of their respective charters. The respective Committees also updates the Board regarding deliberations and decisions on such ESG matters. The Board also discusses and reviews such matters.

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

Effective engagement helps us connect stakeholder needs with organisational goals, creates the basis of an effective strategy development, and unlocks greater shared value for all stakeholders. We use multiple platforms to engage with a wide variety of stakeholders to understand their unique needs and concerns and chart out suitable strategies to address them. We have also conducted a materiality assessment that involved an intensive stakeholder engagement round. Our internal and external stakeholders identified key material topics that are likely to impact our business, like product availability, responsible pricing and affordability, high-quality medicines, patient safety, anti-bribery and corruption. These topics have been considered in the list of our action areas and sustainability framework.

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

Patients: Through patient assistance programmes, we provide financial assistance to patients who are not in a position to afford high-cost treatments. We also support them through education, increase in awareness, and adherence to improve their health conditions. We also partnered with Ahimsa Trust for transforming healthcare through plant-based nutrition education.



Community: We implement several CSR programmes in the areas of education, skilling and livelihood, health and environmental sustainability through partners and local NGOs for marginalised sections of communities. The Company's various CSR projects are carried out by Dr. Reddy's Foundation, Naandi Foundation, Nice Foundation, Roshni Trust, amongst others. The Dr. Reddy Foundation has been conferred with the prestigious National Award for the Empowerment of Persons with Disabilities in New Delhi by Hon'ble President of India on the occasion of International Day of Persons with Disabilities (IDPD). For more details, refer to our community section of this Report.

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

Category	FY2024			FY2023		
	Total	No. of employees/ workers covered	%	Total	No. of employees/ workers covered	%
Employees						
Permanent	26,343	19,143	72.7	24,832	19,486	78.5
Other than permanent	8,226	1,032	12.6	6,939	297	4.3
Total	34,569	20,175	58.4	31,771	19,783	62.3
Workers						
Permanent	643	583	90.7	666	337	50.6
Other than permanent	8,657	0	0	6,262	0	0.0
Total	9,300	583	6.3	6,928	337	4.9

2. Details of minimum wages paid to employees and workers

	FY2024					FY2023				
	Total	Equal to Minimum Wage		More than Minimum Wage		Total	Equal to Minimum Wage		More than Minimum Wage	
		Nos.	%	Nos.	%		Nos.	%	Nos.	%
Employees										
Permanent	26,343	0	0	26,343	100	24,832	0	0	24,832	100
Male	21,119	0	0	21,119	100	20,033	0	0	20,033	100
Female	5,219	0	0	5,219	100	4,792	0	0	4,792	100
Others	5	0	0	5	100	7	0	0	7	100
Other than Permanent	8,226	0	0	8,226	100	6,939	0	0	6,939	100
Male	5,476	0	0	5,476	100	4,686	0	0	4,686	100
Female	2,750	0	0	2,750	100	2,244	0	0	2,244	100
Others	0	0	0	0	0	9	0	0	9	100
Workers										
Permanent	643	0	0	643	100	666	0	0	666	100
Male	600	0	0	600	100	621	0	0	621	100
Female	43	0	0	43	100	45	0	0	45	100
Others	0	0	0	0	0	0	0	0	0	0
Other than Permanent	8,657	6,076	70.2	2,581	29.8	6,162	4,907	79.6	1,255	20.4
Male	6,936	4,620	66.6	2,316	33.4	5,105	4,052	79.4	1,053	20.6
Female	1,721	1,456	84.6	265	15.4	1,057	855	80.9	202	19.1
Others	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration/salary/wages**a. Median remuneration**

	Male		Female		Others	
	Number	Median remuneration/salary/wages of respective category (₹ in mn)	Number	Median remuneration/salary/wages of respective category (₹ in mn)	Number	Median remuneration/salary/wages of respective category (₹ in mn)
Board of Directors (BoD)	7	17.1	4	15.0	0	0
Key Managerial Personnel (KMP) ¹	3	64.7	0	0	0	0
Employees other than BoDs and KMPs	21,114	0.6	5,219	0.9	5	0.5
Workers ²	417	0.8	18	0.7	0	0

¹ Mr. G V Prasad, Co-Chairman and Managing Director of the Company, is a Key Managerial Personnel and has been included under heading BoD, therefore, not included under heading KMP

² Details given for workers based in India

b. Gross wages paid to female as % of total wages paid by the entity

	FY2024	FY2023
Gross wages paid to females as % of total wages	24	23

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, we have a focal point responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

Chief Compliance Officer (CCO) is the designated authority reporting to the Chief Ombudsperson of Dr. Reddy's for the purpose of compliance with the Ombudsperson Policy. All human rights issues are investigated by designated investigator under guidance from CCO. Based on findings, suitable opportunity of being heard is provided to alleged person before concluding on the case. Any Corrective and Preventive action (CAPA) identified through discussion with business stakeholders and all CAPAs are tracked till closure.

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

	FY2024			FY2023		
	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	23	5		19	6	
Discrimination at Workplace	42	18	-	15	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

	FY2024	FY2023
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	23	19
Complaints on POSH as a % of female employees/workers	0.4	0.4
Complaints on POSH upheld	19	15



8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

Dr. Reddy's policy on Ombudsperson as well as non-retaliation supports the Company values and "Speak Up" culture by taking proactive steps to ensure that employees who raise concerns in good faith are protected and supported in the workplace, as appropriate. To protect the interest of complainant, we follow a strict non-retaliation policy, where any retaliation against an employee who in good faith raises concerns or who assists in an investigation of suspected wrongdoing, is not tolerated. Non-retaliation policy is applicable to all employees (including, but not limited to, all current and past employees, contract workers, part-time or temporary workforce) and third parties of the Company. A concern of potential retaliation can be raised through multiple reporting channels that are available and promoted across the organisation.

9. Do human rights requirements form part of your business agreements and contracts

Yes, human rights requirements form part of our business agreements and contracts.

10. Assessments for the year

% 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	Not applicable

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, as no risks/concerns observed across the above parameters as stated in question 10 above.

Leadership Indicators

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

Business process were not modified/introduced as result of addressing human rights grievances/complaints, as no concerns/risks were observed.

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

We have a due diligence process under which human rights due diligence are conducted to identify the potential issues that may have been present in our business operations and the value chain. Some of the potential issues include child labour, forced labour, discrimination, harassment, collective bargaining and freedom of association.

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. The premises/offices of the Company, including the registered and corporate offices have ramps or have elevators and relevant infrastructure for differently abled individuals. Wheelchair accessible restrooms are available at certain premises.

4. Details on assessment of value chain partners

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	We conduct periodic supplier risk assessments for our value chain partners through a third party to better understand our value chain risk exposure. During the year, 25.5% of our value chain partners (India direct spend) have been evaluated on multiple ESG parameters.
Forced/involuntary labour	
Sexual harassment/Discrimination at workplace	
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, as no risks/concerns observed across the above parameters as stated in question 4 above.

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**

Parameters	FY2024 (GJ)	FY2023 (GJ)
From renewable sources (in GJ)		
Total electricity consumption (A)	963,642	618,954
Total fuel consumption (B)	1,358,825	530,555
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	2,322,468	1,149,509
From non-renewable sources (in GJ)		
Total electricity consumption (D)	604,565	728,792
Total fuel consumption (E)	1,946,295	2,161,711
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	2,550,861	2,890,503
Total energy consumed (A+B+C+D+E+F)	4,873,328	4,040,012
Energy intensity per rupee of turnover ¹ (Total energy consumed/Revenue from operations) GJ/₹ mn	17.5	16.4
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) ² (Total energy consumed/Revenue from operations adjusted for PPP) GJ/Revenue adjusted to PPP	391.0	364.3
Energy intensity in terms of physical output GJ/Tonne of Product	69.7	57.1
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

¹ Revenue as per IFRS consolidated financials for FY2024 & FY2023

² PPP – IMF conversion factors for FY2024: 22.4 and FY2023: 22.17

(Source - <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, independent assurance was carried out by DNV.

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. 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

We have no sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water

Parameters	FY2024	FY2023
Water withdrawal by source (in kilolitres)		
(i) Surface water ¹	102,582	48,931
(ii) Groundwater	1,109,141	1,069,076
(iii) Third party water	111,730	101,525
(iv) Seawater/desalinated water	0	0
(v) Others (Municipal)	724,411	664,831
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	2,047,865	1,884,363
Total volume of water consumption (in kilolitres)	1,893,619	1,734,930
Water intensity per rupee of turnover ² (Total water consumption/Revenue from operations) KL/₹ mn on fresh water withdrawal	7.0	7.5
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) on fresh water withdrawal ³ (Total water consumption/Revenue from operations adjusted for PPP) KL/Revenue adjusted to PPP	156.1	165.5
Water intensity in terms of physical output on fresh water withdrawal - KL/Tonne of Product	27.8	25.9
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

¹ Rainwater harvested.



² Revenue as per IFRS consolidated financials for FY2024 & FY2023

³ PPP – IMF conversion factors for FY2024: 22.4 and FY2023: 22.17

(Source - <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, independent assurance was carried out by DNV.

4. Provide the following details related to water discharged

Parameter	FY2024	FY2023
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
No treatment	0	0
With treatment – please specify level of treatment ¹	154,246	149,433
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	154,246	149,433

¹ Primary treatment

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, independent assurance was carried out by DNV.

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

Yes, we have implemented Zero Liquid Discharge (ZLD) facility at all our chemical technical operations and formulations plants (except one) in India. To avoid the discharge of untreated wastewater effluents, we use the ZLD water treatment engineering approach at 15 of our 23 global manufacturing facilities. All waste water is treated, contaminants are reduced to solids through ZLD, all the treated water is channelled back for usage in our utilities.

6. Details of air emissions (other than GHG emissions) by the entity

Parameters	Units	FY2024	FY2023
NOx	Metric Tonnes	171.9	111.1
SOx	Metric Tonnes	289.3	263.0
Particulate matter (PM)	Metric Tonnes	109.5	103.9
Persistent organic pollutants (POP)		NA	NA
Volatile organic compounds (VOC)		NA	NA
Hazardous air pollutants (HAP)		NA	NA
Others – please specify		NA	NA

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, independent assurance was carried out by DNV.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

Parameters	Units	FY2024	FY2023
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	189,530	214,257
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	114,655	137,627
Total Scope 1 and Scope 2 emission intensity per rupee of turnover ¹ (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	MT/₹ mn	1.1	1.4
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) ² (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	MT/Revenue adjusted to PPP	24.4	31.8
Total Scope 1 and Scope 2 emission intensity in terms of physical output	MT/Tonne of Product	4.3	5.0
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	--	-	-

¹ Revenue as per IFRS Consolidated for FY2024 & FY2023

² PPP – IMF conversion factors for FY2024: 22.4 and FY2023: 22.17

(Source - <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, independent assurance was carried out by DNV.

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

We are investing in solar, wind and hydel projects, acquiring solar plants through joint ventures, moving from coal to cogeneration systems using biomass (rice husk, briquette) based boilers rather than fuel oil-based boilers to reduce our greenhouse gas emissions and accelerate our green transition.

9. Provide details related to waste management by the entity

Parameters	FY2024	FY2023
Total Waste generated (in metric tonnes)		
Plastic waste (A)	232.5	385.2
E-waste (B)	17.4	5.3
Bio-medical waste (C)	204.8	163.1
Construction and demolition waste (D)	9,497.3	449.7
Battery waste (E)	121.6	80.8
Radioactive waste (F)	0	0
Other hazardous waste. Please specify, if any. (G)	36,701.2	33,652
Other Non-hazardous waste generated (H) ¹	31,741.8	17,611.8
Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Total (A + B + C + D + E + F + G + H)	78,516.7	52,347.8
Waste intensity per rupee of turnover ² (Total waste generated/Revenue from operations) MT/₹ mn	0.3	0.2
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) ³ (Total waste generated/Revenue from operations adjusted for PPP) MT/Revenue adjusted to PPP	6.3	4.7
Waste intensity in terms of physical output MT/Tonne of product	1.1	0.7
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) – Waste (A+B+C+D+E+F+H)		
Category of waste		
(i) Recycled	5,748.2	10,331.3
(ii) Re-used	34,630.4	4,415.2
(iii) Other recovery operations	1,436.8	3,949.2
Total	41,815.4	18,695.8



Parameters	FY2024	FY2023
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) – Hazardous Waste (G)		
Category of waste		
(i) Incineration	802.2	123.7
(ii) Landfilling	0	55.5
(iii) Other disposal operations	35,899.0	33,472.8
Total	36,701.2	33,652.0

¹ Non Hazardous waste includes steel scrap, metal scrap, wood waste, ash, waste shippers, copper cables, aluminium trays, general office waste, paper, cardboard, glass, etc.

² Revenue as per IFRS Consolidated for FY2024 and FY2023

³ PPP – IMF conversion factors for FY2024: 22.4 and FY2023: 22.17

(Source - <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, independent assurance was carried out by DNV

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

We have waste management systems in place at all our facilities. Plastic waste is either co-processed or recycled based upon the type of waste generated. E-waste is sold to authorised vendors. 99% of our global hazardous waste is sent to cement industries and recyclers for co-processing and recycling. The remaining 1% of global hazardous waste is sent to landfill.

Other non-hazardous waste such as glass, MS scrap, wood waste, boiler ash etc. is sent to recyclers, cement industries for co-processing or to brick manufacturers.

We reduce waste through technological interventions and ongoing initiatives including sustainable packaging, waste source segregation, process optimisation etc.

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

Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
			Nil

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

Name and brief detail of project	EIA notification number	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-link
					Nil

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

Yes, the Company is 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 and Environment Protection Act and rules thereunder.

Sl. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as Pollution Control Boards or by courts	Corrective action taken, if any
			Nil	

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): For each facility/plant located in areas of water stress, provide the following information

- Name of the area: Hyderabad, Pydibhimavaram
- Nature of operations: Manufacturing and R&D
- Water withdrawal, consumption and discharge

Parameters	FY2024	FY2023
Water withdrawal by source (in kilolitres)		
(i) Surface water ¹	90,691	33,880
(ii) Groundwater	585,090	599,544
(iii) Third party water	111,730	101,525
(iv) Seawater/desalinated water		0
(v) Others	394,904	372,773
Total volume of water withdrawal (in kilolitres)	1,182,415	1,107,722
Total volume of water consumption (in kilolitres)	1,178,765	1,103,892
Water intensity per rupee of turnover on fresh water withdrawal (Water consumed/turnover) KL/₹ mn ²	3.9	4.4
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharged by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment ³	3,650	3,830
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	3,650	3,830

¹ Rainwater harvested.

² Revenue as per IFRS Consolidated for FY2024 & FY2023.

³ Primary treatment

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency -

Yes, independent assurance was carried out by DNV



2. Please provide details of total Scope 3 emissions & its intensity

Parameters	Units	FY2024	FY2023
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO ₂ equivalent	866,992	921,055
Total Scope 3 emissions per rupee of turnover ¹	MT/₹ mn	3.1	3.7
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

¹ Revenue as per IFRS Consolidated for FY2024 & FY2023

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency

Yes, independent assurance was carried out by DNV

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

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

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
1	Installation of Low temperature Evaporator (LTE)	In the wastewater & recycling system, there are multiple equipment's for treating wastewater. Traditionally, multiple effect evaporator (MEE) is being used as tertiary treatment which we replaced by LTE. Thus reducing overall carbon footprint in wastewater treatment plant.	Reduced steam & electrical energy consumption in wastewater treatment
2	Baling Press	A baling press is a dedicated waste management machine that compresses materials into dense manageable bundles (bales)	Reduce the volume, thereby decreasing no. of trucks for transportation of waste

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

Yes. the Company has adopted a resilience strategy focussing on the ability to provide and maintain an acceptable level of service in the face of any planned or unplanned interruption related emergencies at its manufacturing facilities, IT, supply chain etc.

In our pursuit of operational excellence, we have embarked upon several change management initiatives across our organisation, including information technology and automation in the areas of manufacturing, research and development, supply chain and shared services. Accordingly, there are continuous efforts to strengthen our data resiliency.

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

There is no significant adverse impact to the environment, arising from the value chain partners. 100% of our critical and strategic suppliers have valid air, water & waste consent.

However, we also measure our Scope 3 emissions to address the emission hotspots in the value chain. To address the reduction in carbon footprint, we have driven major projects around:

- Air to sea shipment
- Truck Loadability: With appropriate planning and management, we have optimised the utilisation of trucks resulting in a reduction of trips and overall carbon footprint
- We encourage dedicated transporters to shift to low carbon fuels
- We drive supplier engagement programmes to help them opt for projects resulting in reduction of Carbon footprint

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

We conduct periodic supplier risk assessments for our value chain partners through a third party to better understand our value chain risk exposure. During the year, 25.5% of our value chain partners (India direct spend) have been evaluated on multiple ESG parameters.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

A. Number of affiliations with trade and industry chambers/associations: 8

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

The Company is affiliated with 8 trade and industry chambers/associations.

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	National Council of the Confederation of Indian Industry (CII)	National
2	Board of Trade, Ministry of Commerce, Government of India	National
3	Indian Pharmaceutical Alliance	National
4	National Accreditation Board for Certification Bodies	National
5	The Life Sciences Advisory Committee	State
6	International Generic and Biosimilar Medicines Association	International
7	Pharmaceutical Supply Chain Initiative (PSCI)	International
8	Asia Business Council	International

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

Name of Authority	Brief of the Case	Corrective Action Taken
	Nil	

Leadership Indicators

1. Details of public policy positions advocated by the entity

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of Review by Board	Web-link, if available
1	Representation to the Securities and Exchange Board of India/Ministry of Corporate Affairs on various proposed changes in law in the larger economic interest of the common good	Representation made directly or through industry chambers/associations	No	The Board reviews on quarterly basis	No
2	Advocacy and support for policies and regulatory framework that support R&D and intellectual property protections	IPA (Indian Pharmaceutical Alliance)	No	The Board reviews on need basis	https://www.ipa-india.org/
3	Policy advocacy to help make medicines more affordable and accessible	Representation made directly or through industry chambers/associations	No	The Board reviews on need basis	No



Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of Review by Board	Web-link, if available
4	Policy advocacy on reduction in counterfeiting & non-standard quality drugs, Uniform Code of Pharmaceuticals Marketing Practices	IPA (Indian Pharmaceutical Alliance)	Yes	The Board reviews on need basis	https://www.ipa-india.org/
5	Proactively engage with lawmakers and policymakers on laws and regulations that addresses the issues faced by Pharma Industries for common good	Representation made directly or through industry chambers/ associations	No	The Board reviews on need basis	No

The Company works with various trade and industry associations, which includes industry representations to the government and/or regulators. The Company performs the function of policy advocacy in a transparent and responsible manner while engaging with all the authorities and takes into account the Company's as well as the larger national interest. The Company believes that policy advocacy must preserve and expand the public good and thus, it does not advocate any policy change to benefit itself or a select few. We have also actively participated in several notable industry events and forums lending our voice and perspectives to shape a holistic healthcare ecosystem.

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

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-link
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During the year ended FY2024, there were no new projects/capacity expansion of existing projects which requires Environmental Clearance or Social Impact Assessment

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in FY (In ₹)
Nil						

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

Most of the activities are carried out in discussion and agreement with the community members. In case of any grievances, the community leaders can reach out to the Company's point of contact (POC) at each of the units. The POC is directly and easily accessible to the community to address any concerns that may arise. Depending on the nature of complaint, relevant stakeholders are engaged to resolve any issue.

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

Particulars ¹	FY2024	FY2023
Directly sourced from MSMEs/small producers	2.9	2.6
Directly from within India	45	38.6

¹ Disclosure of materials sourced for India

5. Job creation in smaller towns – 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 ¹	FY2024	FY2023
Rural	3.5	3.9
Semi-Urban	1.6	2.0
Urban	10.2	6.9
Metropolitan	84.7	87.2

Note: (Place categorised as per RBI Classification System - rural/semi-urban/urban/metropolitan and based Census 2011.

¹ Permanent employees at our India locations have been considered.

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)

Sr.	Details of negative social impact identified	Corrective action taken
	During the year ended FY2024, there were no new projects/capacity expansion of existing projects which requires Environmental Clearance or Social Impact Assessment	

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

Sr. No.	State	Aspirational District	Amount spent (₹ in mn)
1	Andhra Pradesh	Allu Sitharama Raju	8.3
2	Jharkhand	Ranchi	4.3

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

No, as stated in our Code of Business Conduct and Ethics (COBE), we do not discriminate on any basis while selecting our suppliers and provide equal opportunities for engagement to all potential suppliers. We encourage working with local suppliers or suppliers that are close to our facilities (including small-scale industries). However, we have not specifically considered marginalised/vulnerable groups in our supplier qualifying criteria.

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

Not applicable

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

Not applicable

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

Sr.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
				Nil

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

Sr.	Name of authority	Brief of the Case	Corrective action taken
		Not applicable	



6. Details of beneficiaries of CSR Projects

Sr. No.	CSR Projects	No. of persons benefited from CSR Projects*	% of beneficiaries from vulnerable and marginalised group
1	School Improvement Programme	52,539	99.5% of the CSR projects are implemented with an objective to reach out to the vulnerable and marginalised communities, including persons with disabilities, elderly, women and children from the less privileged socio-economic sections of the society
2	Kallam Anji Reddy Vidyalaya	2,348	
3	Kallam Anji Reddy Vocational Junior College	815	
4	Scholarship for Women in Science	111	
5	Dr. K Anji Reddy's CAN - DO ETR Grants	4	
6	Youth Skilling	1,630	
7	PwD Skilling	1,252	
8	Healthcare Skilling	641	
9	Employability Training and Vocational Training to Persons with Disability	100	
10	Farmer Field Schools	6,000	
11	Making Integrated Transformation for Resourceful Agriculture	76,851	
12	Acumen Fellowship Programme	14	
13	Life at Door Step - Palliative Care Programme	1,656	
14	Mamatha nutrition support programme for children living with HIV	150	
15	Community Health Intervention Programme	282,628	
16	Roshni Tele-counselling Helpline	7,930	
17	Action for Climate and Environment	59,376	
18	Transforming Lives through Plant Based Nutrition	40	
19	ESG Skill Development - S/ETP and Solar Technology	95	
20	Capacity building of stakeholders on Adoption and Pre-Adoption process	1,578	
21	WEF - Centre for Industrial Revolution	500	
22	Propagating non-animal, human-relevant research in India	360	
Grand Total		496,618	

**Total beneficiary impacted excludes small interventions and ongoing projects in FY2024 with 237,229 and 78,556 beneficiary impacted respectively*

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

We have a CSC helpline that receives calls, including complaints from consumers and directs them to relevant departments basis the nature of complaint. There are TAT (turnaround timelines) for each type of complaint at the various department levels, CSC only directs it to the respective internal stakeholder.

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

As a percentage of total turnover

Environmental and social parameters relevant to the product	We comply with the relevant laws and regulations of the countries we operate in with respect to disclosure of information on environmental and social parameters relevant to the products. 100% of our formulation products, representing around 87.9% of our overall revenue, carry information about
Safe and responsible usage	safe and responsible usage on product labelling and package inserts. Further, based on the legal requirements and guidelines in the countries of our operations, we include instructions on safe disposal
Recycling and/or safe disposal	of products.

3. Number of consumer complaints in respect of the following

	FY2024			FY2023		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

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

Details of instances of product recalls on account of safety issues	Number	Reasons for recall
Voluntary recalls	22	Stability, Market Complaint, Microbial Contamination, Out of Specification Results
Forced recalls	0	Not applicable

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 have internal policy/procedures related to Information Security Management Systems and Global Data Privacy framework which is shared with the relevant stakeholders. The policies 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 such incident

7. Provide the following information relating to data breaches:

- Number of instances of data breaches - Nil
- Percentage of data breaches involving personally identifiable information of customers - Nil
- 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)**

Channels/platforms where information on products of the Company can be accessed are as follows:

<https://www.drreddys.com/australia/>

<https://www.drreddys.ca/>

<https://www.drreddys.cl/>

<https://www.drreddys.com/china/>

<https://www.reddypharma.fr/>

<https://www.betapharm.de/>

<https://www.drreddys.com/india/>

<https://www.drreddys.ro/>

<https://www.drreddys.com/russia/>



<https://www.drreddys.com/south-africa/>

<https://www.drreddys.es/>

<https://www.drreddysusa.com/>

<https://www.becozincmyanmar.com/>

<https://api.drreddys.com/product>

<https://www.aronix.co.uk/home>

<https://drreddysnutrition.com/>

<https://mintophair.com/>

<https://www.drreddysvenusia.com/>

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

The Company continues to work together and with partners and customers to explore new ways to incorporate sustainable materials across our solutions and bring them to new markets including increased communications.

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

During the year, there were no major disruptions of critical services of the Company. Issues that are bound to arise in any customer/supplier relationship, there is continual communication maintained with customers, these help to identify problems before they become serious and allows both parties to work for resolution of the same. The Company's teams focus on quality and customer service, continue to strengthen our relationship and position Dr. Reddy's as a trusted partner.

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

The Company understands the importance of fair disclosure of the description of its products and thereby, ensures to disclose, truthfully and factually, such relevant information including risks about the product, as may be required statutorily, through labelling so that the consumers can exercise their freedom to consume in a responsible manner. The Company has always believed in being transparent with its customers by providing all the relevant details.

5. 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

The Company engages with its consumers on an ongoing basis and conducts methodical research on their satisfaction with respect to its products.