



# Executive Summary – Business Responsibility and Sustainability Report

This is the first year in which the Company has voluntarily released its report against the new Business Responsibility & Sustainability Report guidelines. Through this report, the Company intends to communicate its vision of a purpose-driven, future-ready and sustainable roadmap and has disclosed how it manages environmental, social and governance performance.

We are driven by our purpose of **‘Good Health Can’t Wait’**. This applies not only to an individual but also to our society and our environment.

Sustainability for us means operating in a manner that respects people, planet and purpose – helping us conserve precious resources, serve our patients, create value for stakeholders, give back to society, fulfil our potential and maintain our integrity and transparency.

For more information on our sustainability journey so far, and our refreshed sustainability goals and targets, please refer to page 16-17 of this Annual Report.

Sustainability is deeply embedded in our purpose and forms the core of our organization. Our commitment to the nine principles of National Guidelines on Responsible Business is outlined in this Report.

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## Key highlights of BRSR Report

### Principle 1

**Conduct and govern with integrity, and in a manner that is Ethical, Transparent and Accountable**

- 100% of our Key Managerial Personnel (KMPs) and 82% of our employees received periodic training on business, regulations, code of business conduct and ethics as well as economic and environmental, social and governance parameters
- No disciplinary action against Directors/KMPs/ Employees/Workers by any law enforcement agencies for charges of bribery/corruption



### Principle 3

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

- 100% of our employees (permanent, workers and others) are covered under health and accident insurance.
- 100% of our employees (permanent, workers and others) are covered by maternity and paternity benefits.
- Achieved a 98.1% return-to-work rate post parental leave



### Principle 2

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

99% of our global hazardous waste are sent to industries and recyclers for co-processing and recycling



### Principle 4

**Respect the interests of and be responsive to all its stakeholders**

Comprehensive stakeholder engagement at frequent intervals using multiple platforms to understand their expectations, inform our strategy and communicate our progress



### Principle 5

**Respect and promote human rights**

- 100% of our employees and workers are paid more than the minimum wage
- Median remuneration of employees is more than ₹ 5 Lakhs per annum



### Principle 6

**Respect and make efforts to protect and restore the environment**

- 14% reduction in energy intensity from previous financial year
- 14% reduction in water intensity from previous financial year
- 21% reduction in Scope 1 & 2 GHG emission intensity from previous financial year
- Fuel substitution projects implemented (Coal to Briquettes and Furnace Oil to Piped Natural Gas)



### Principle 8

**Promote inclusive growth and equitable development**

- 71% of input materials were sourced locally, directly from within the district and neighbouring districts
- Positively impacted 3,64,332 individuals through CSR initiatives



### Principle 7

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

Associated with trade and industry chambers/ associations to foster dialogue on industry growth drivers, innovation and shaping public policy



### Principle 9

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

- No data breaches reported during the reporting period
- No major critical service disruptions



# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

## SECTION A – GENERAL DISCLOSURE

### I DETAILS OF LISTED ENTITIES

<p><b>1. CORPORATE IDENTITY NUMBER (CIN) OF THE LISTED ENTITY</b> L85195TG1984PLC004507</p> <p><b>2. NAME OF THE LISTED ENTITY</b> Dr. Reddy's Laboratories Limited</p> <p><b>3. YEAR OF INCORPORATION</b> 1984</p> <p><b>4. REGISTERED OFFICE ADDRESS</b> 8-2-337, Road No. 3, Banjara Hills, Hyderabad, Telangana 500034 India</p> <p><b>5. CORPORATE ADDRESS</b> 8-2-337, Road No. 3, Banjara Hills, Hyderabad, Telangana 500034 India</p>	<p><b>6. E-MAIL</b> shares@drreddys.com</p> <p><b>7. TELEPHONE</b> +91-40-49002900</p> <p><b>8. WEBSITE</b> www.drreddys.com</p> <p><b>9. FINANCIAL YEAR FOR WHICH REPORTING IS BEING DONE –</b> April 1, 2021 to March 31, 2022</p> <p><b>10. NAME OF THE STOCK EXCHANGE(S) WHERE SHARES ARE LISTED –</b> BSE, NSE, NYSE and NSE-IFSC</p>	<p><b>11. PAID-UP CAPITAL</b> INR 832,129,245</p> <p><b>12. NAME AND CONTACT DETAILS (TELEPHONE, EMAIL ADDRESS) OF THE PERSON WHO MAY BE CONTACTED IN CASE OF ANY QUERIES ON THE BRSR REPORT</b> Mr. Erez Israeli, Chief Executive Officer E-mail id: shares@drreddys.com Contact No: +91-040-4900 2900</p> <p><b>13. REPORTING BOUNDARY</b> The disclosure under this BRSR is on standalone basis unless otherwise stated</p>
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### II PRODUCTS AND SERVICES

#### 14. DETAILS OF BUSINESS ACTIVITIES (ACCOUNTING FOR 90% OF THE TURNOVER)

SR. 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%

#### 15. PRODUCTS/ SERVICES SOLD BY THE ENTITY (ACCOUNTING FOR 90% OF THE ENTITY'S TURNOVER)

SR. NO	PRODUCTS	NIC CODE	% OF TOTAL TURNOVER CONTRIBUTED
1	Development, manufacturing & sale of Generic Formulations including Biosimilars	21009	81
2	Development, manufacturing & sale of Active Pharmaceutical Ingredients & Custom Pharmaceutical Services	21009	17

### III OPERATIONS

#### 16. NUMBER OF LOCATIONS WHERE PLANTS AND/ OR OPERATIONS/ OFFICES OF THE ENTITY ARE SITUATED

LOCATION	NUMBER OF PLANTS (INCLUDING R&D SITES/ OPERATIONS)	NUMBER OF OFFICES	TOTAL
National	23	8	31
International	9	50	59

#### 17. MARKETS SERVED BY THE ENTITY

##### A. NUMBER OF LOCATIONS

LOCATIONS	NUMBERS
National (Number of States)	Pan-India
International (Number of Countries)	66

##### b. Contribution of exports as a percentage of the total turnover of the entity

Out of the total turnover of INR 13,886 crore (excluding service income), the turnover of the products sold in India is INR 4,279 crore (31%) and that of other countries is INR 9,607 crore (69%).

##### c. A brief on types of customers

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

## IV EMPLOYEES

### 18. DETAILS AS AT THE END OF FINANCIAL YEAR:

#### A. EMPLOYEES AND WORKERS (INCLUDING DIFFERENTLY ABLED)

SR. NO	PARTICULARS	TOTAL	MALE		FEMALE	
			NUMBER	%	NUMBER	%
<b>Employees</b>						
1	Permanent	20,122	17,795	88.44	2,327	11.56
2	Other than permanent	4,888	3,997	81.77	891	18.23
	<b>Total</b>	<b>25,010</b>	<b>21,792</b>	<b>87.13</b>	<b>3,218</b>	<b>12.87</b>
<b>Workers</b>						
1	Permanent	529	509	96.22	20	3.78
2	Other than permanent*	5,230	-	-	-	-
	<b>Total</b>	<b>5,759</b>	-	-	-	-

\*Gender split not available. We are in process of establishing a mechanism to record the details.

#### B. DIFFERENTLY ABLED EMPLOYEES AND WORKERS

SR. NO	PARTICULARS	TOTAL	MALE		FEMALE	
			NUMBER	%	NUMBER	%
<b>Differently abled Employees</b>						
1	Permanent	60	48	80	12	20
2	Other than permanent	-	-	-	-	-
	<b>Total</b>	<b>60</b>	Not available			
<b>Differently abled Workers</b>						
1	Permanent					
2	Other than permanent					
	<b>Total</b>		Not available			

### 19. PARTICIPATION/ INCLUSION/ REPRESENTATION OF WOMEN

PARTICULARS	TOTAL	NUMBER OF FEMALES	% OF FEMALES
Board of Directors	11	3	27
Key Managerial Personnel (KMPs)	3	0	0

### 20. TURNOVER RATE FOR PERMANENT EMPLOYEES AND WORKERS

PARTICULARS	FY 2021-22			FY 2020-21*			FY 2019-20*		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Permanent Employees	17%	19.3%	17%	-	-	17.5%	-	-	18.1%
Permanent Workers	Not available								

\*Gender wise splits are not available.

## V – HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

### 21. 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 forming part of the Annual Report 2022.

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

The major subsidiary companies are closely integrated with our corporate business responsibility initiatives.

## VI – CSR DETAILS

### 22. WHETHER CSR IS APPLICABLE AS PER SECTION 135 OF THE COMPANIES ACT, 2013: Yes

- Turnover – INR 14,405 Crore
- Net Worth – INR 18,336 Crore



## VII – TRANSPARENCY AND DISCLOSURES COMPLIANCES

## 23. COMPLAINTS/ GRIEVANCES ON ANY OF THE PRINCIPLES (PRINCIPLES 1 TO 9) UNDER THE NATIONAL GUIDELINES ON RESPONSIBLE BUSINESS CONDUCT

STAKEHOLDER GROUP FROM WHOM COMPLAINT IS RECEIVED	GRIEVANCE REDRESSAL MECHANISM IN PLACE (YES/ NO) (IF YES, THEN PROVIDE WEB-LINK FOR GRIEVANCE REDRESS POLICY)	FY 2021-22		REMARKS	FY 2020-21		REMARKS
		NUMBER OF COMPLAINTS FILED DURING THE YEAR	NUMBER OF COMPLAINTS PENDING RESOLUTION AT CLOSE OF THE YEAR		NUMBER OF COMPLAINTS FILED DURING THE YEAR	NUMBER OF COMPLAINTS PENDING RESOLUTION AT CLOSE OF THE YEAR	
Communities	Yes*	0	0		0	0	
Investors other than Shareholders	Yes*	0	0		0	0	
Shareholders	Yes*	6	0		8	0	
Employees and Workers	Yes*	213	22		126	18	
Customers	Yes*	14	3		6	1	
Value Chain Partners	Yes*	2	0		7	0	
Others**	Yes*	70	7		28	4	

\* Some of the policies guiding the Company's conduct with all its stakeholders, including grievance mechanisms are placed on the Company's website. The link is: <https://www.drreddys.com/investor#governance>. In addition, there are internal policies placed on the intranet platform of the Company. The number of complaints are not comparable with that of the previous year. FY2021, when owing to the pandemic, the offices were intermittently closed. Complaints pending as at the financial year end, but subsequently resolved.

\*\*For FY2021-22, out of 70, 65 are anonymous and 5 are from identified unrelated parties. For FY2020-21, out of 28, 26 are anonymous, 1 is from identified unrelated parties and 1 is from identified relative of an employee.

## 24. OVERVIEW OF THE ENTITY'S MATERIAL RESPONSIBLE BUSINESS CONDUCT ISSUES

The Company's Executive Risk Management Committee operates under the Company's Risk Management Policy. Its focus is on risks associated with the Company's business and compliance matters. The Committee periodically reviews matters pertaining to risk management. Additionally, the Enterprise-wide Risk Management (ERM) function helps management and the Board to prioritize, review and measure business risks against a pre-determined risk appetite, and their suitable response, depending on whether such risks are internal, strategic or external (including ESG and Cyber security risks). There is a Risk Management Committee of the Board of Directors which is regularly appraised of the various Company's Risks.

Refer page nos. 49 and 50 of the 2021 Sustainability Report at the link <https://www.drreddys.com/cms/cms/sites/default/files/2022-04/sustainability-report-fy-2020-21.pdf>, for more information on the Company's emerging climate related risks.

## 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
<b>Policy and Management Process</b>									
1. A. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Note 1	Yes	Note 2	Yes	Yes
1. B. Has the policy been approved by the Board? (Yes/No)	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.								
1. C. Web Link of the Policies, if available	Note 3								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes. The Company's Code of Business Conduct and Ethics (COBE) 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 COBE imbibes the above-mentioned principles and the Company expects its stakeholders to adhere to these in 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	SA8000	ISO 14001	ISO 45001	-	SA8000	-	-	As per the CSR Rules prescribed under the Companies Act, 2013	-
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	Note 4								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	Note 5								

DISCLOSURE QUESTION	P-1	P-2	P-3	P-4	P-5	P-6	P-7	P-8	P-9
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## Governance, Leadership and Oversight

7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	At Dr. Reddy's, we are committed to make business truly sustainable and responsible. The Board has made a Board level Committee responsible for sustainability and ESG road-map and review of the implementation. 2020 and 2021 will go down in history as a period of unprecedented strain, disruption, and challenges. However, it will also be remembered as the time humanity united and solved the pandemic induced health, social, and economic crises. Covid-19 highlighted the devastating impact of systemic inequalities and disparities and taught humanity some crucial lessons. It made us deeply examine our practices, mindsets, and the urgent need to operate and grow sustainably.  We see the coming year as a significant opportunity to integrate ESG into our organizational culture, using it to drive our daily decisions while we strive to meet the needs of patients and create a net positive impact on our ecosystem. Dr. Reddy's is committed to deliver its ESG agenda by generating value for its stakeholders, driving sustainability with technological progress and manufacturing excellence. Our efforts remain focused on expanding access and affordability to safe, effective and high-quality medicines that the world can count on, because, - <b>Good Health Can't Wait.</b>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	Mr. Erez Israeli Chief Executive Officer Tel: +91-40-4900-2900 E-mail ID: <a href="mailto:shares@drreddys.com">shares@drreddys.com</a>								
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	Mr. G V Prasad, Co-Chairman & Managing Director  Our Co-Chairman & Managing Director drives the sustainability/ ESG agenda in the Company, pushing for strong action and has the ultimate responsibility to approve Dr. Reddy's ESG strategy and goals. He reports to the Board and updates them on the financial implications of climate risks and opportunities as part of the business performance review and ESG update to the Board.								

**Note 1:** The Company complies with all the statutory requirements. All the contracts and standing orders include relevant aspects of human rights.

**Note 2:** The Company works closely with various trade and industry associations. This 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 considers the Company's interest as well as the larger national interest. The Company believes that policy advocacy must preserve and expand public good and thus, it does not advocate any policy change to benefit itself alone or a select few.

**Note 3:** <https://www.drreddys.com/media/983676/cobe-booklet-v40.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/media/899536/human-rights-policy_01092020.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 4:** 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 billion+ patients by 2030

**Affordability :** • 25% of our new launches to be first to market by 2027

**Innovation :** • 3 innovative products improving the standard of treatment every year

**C. Contributing to a fairer and more socially inclusive world****Equity, diversity and inclusion**

- At least 35% women in senior leadership (3X from current) 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 internal ESG framework by 2030

**Note 5:** Some of our ESG progress against goals in FY 2022 is provided below:

- 26% of our total power is through renewable sources; • We have reduced 11% of our absolute scope 1 & 2 emissions, and 0.3% of scope 3 emissions since FY 2021; • We are 78% water neutral

For more details on our ESG goals and journey, refer to page nos. 16-17 of the Annual Report FY2022.

**10. DETAILS OF REVIEW OF NGRBCS BY THE COMPANY**

SUBJECT FOR REVIEW	REVIEW OF PRINCIPLES UNDERTAKEN BY AND FREQUENCY
Performance against above policies and follow up action	As a practice, BR policies of the Company are reviewed periodically or on a need basis by department heads, business heads and Executive Directors. During such assessment, efficacy of the policies are reviewed and necessary changes to policies and procedures are implemented. The Board also reviews the Business Responsibility Report on an annual basis.
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.

**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 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 and/ or by the Board. Some of the policies of the Company are evaluated by KPMG and DNV Business Assurance India Private Limited (DNV). An internal assessment of the workings of the BR policies has been done.

**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 – PRINCIPLE WISE PERFORMANCE DISCLOSURE****PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE****ESSENTIAL INDICATORS****1. PERCENTAGE COVERAGE BY TRAINING AND AWARENESS PROGRAMMES ON ANY OF THE PRINCIPLES DURING THE FINANCIAL YEAR**

SEGMENT	TOTAL NUMBER OF TRAINING AND AWARENESS PROGRAMMES HELD	TOPICS/ PRINCIPLES COVERED UNDER THE TRAINING AND ITS IMPACT	% AGE OF PERSONS IN RESPECTIVE CATEGORY COVERED BY THE AWARENESS PROGRAMMES
Board of Directors (BODs)/ Key Managerial Personnel (KMPs)	Familiarisation/ awareness program for the Board of Directors/ KMPs of the Company is done periodically. The topics cover business, regulations, code of business conduct and ethics, economy and environmental, social and governance parameters. In addition, frequent updates are shared with all the Board members/ KMPs apprising them on developments in the Company, key regulatory changes, risks, compliances, and legal cases.		100%
Employees other than BODs and KMPs	The employees/ workers of the Company undergo various training programmes throughout the year. Owing to the pandemic, many trainings programs happened through a blended learning approach which entailed virtual classroom initiatives, along with dissemination of e-learning modules.		81.55%
Workers	Various trainings were undertaken during the year: Prohibition of Insider Trading, Prevention of Sexual Harassment at the Workplace, Information and Cyber Security Awareness, Code of Conduct, 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.		48.28%

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

MONETARY					
	NGRBC PRINCIPLE	NAME OF THE REGULATORY/ ENFORCEMENT AGENCIES/ JUDICIAL INSTITUTES	AMOUNT (INR)	BRIEF OF THE CASE	HAS AN APPEAL BEEN PREFERRED (YES/NO)?
Penalty/ Fine					
Settlement			Nil		
Compounding Fees					

**NON-MONETARY**

	NGRBC PRINCIPLE	NAME OF THE REGULATORY/ ENFORCEMENT AGENCIES/ JUDICIAL INSTITUTES	AMOUNT (INR) 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. Dr. Reddy's has an anti-bribery and anti-corruption policy. The policy has been developed in alignment with Dr. Reddy's Code of Business Conduct and Ethics (COBE), other internal policies such as Ombudsperson policy and other rules and regulations on against elements of Anti bribery and Anti-Corruption that govern the Company because of its geographical presence in multiple countries. The policy reiterates that Dr. Reddy's does not tolerate any bribery and corruption and continues to uphold the highest standards of integrity and transparency in all its interactions and routine business activities. 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**

	FY 2021-22	FY 2020-21
Directors		
KMPs		Nil
Employees		
Workers		

**6. DETAILS OF COMPLAINTS WITH REGARD TO CONFLICT OF INTEREST**

	FY 2021-22		FY 2020-21	
	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. Details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest**

Not applicable

**LEADERSHIP INDICATORS****1. AWARENESS PROGRAMMES CONDUCTED FOR VALUE CHAIN PARTNERS ON ANY OF THE PRINCIPLES DURING THE FINANCIAL YEAR**

TOTAL NUMBER OF AWARENESS PROGRAMMES HELD	TOPICS/ PRINCIPLES COVERED UNDER THE TRAINING	% AGE OF VALUE CHAIN PARTNERS COVERED (BY VALUE OF BUSINESS DONE WITH SUCH PARTNERS) UNDER THE AWARENESS PROGRAMMES
1	Environment, Social & Governance, Supplier Code of conduct, PSCI assessment checklist	16.2

**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.**

As part of the Governance ecosystem, the Company has adopted best practices on reviews of conflict of interest of Directors. The Director's disclosures are placed before the Board and conflict of interest, if any, is discussed and reviewed. 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 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

The Company is focussed on patient centric R&D. During the year 2020-21 and 2021-22, the total investment in R&D and capital expenditure were to the tune of INR 1,310 Crore and INR 1,426 Crore, respectively. These include R&D and capex investments in specific technologies to improve the environmental and social impacts of products and processes.

2. a. Does the entity have procedures in place for sustainable sourcing  
Yes
- b. If yes, what percentage of inputs were sourced sustainably

We ensure that all our products are sourced in a sustainable manner. All our strategic and critical suppliers are evaluated against Dr. Reddy's qualifying criteria. As per the supplier code of conduct, we assess our strategic suppliers on multiple criteria including business ethics, human rights, social impact, safety, and environment. Additionally, we are in the process of developing a measurement mechanism to report our sustainably sourced products.

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

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 authorized 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.

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).

### 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

We have initiated process to conduct Life Cycle Assessment of selected Active Pharmaceutical Ingredients (API) products.

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

Not applicable

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 its nature of products.

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

Not available

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

Not available

## 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	% OF EMPLOYEES COVERED BY										
	TOTAL	HEALTH INSURANCE		ACCIDENT INSURANCE		MATERNITY BENEFITS		PATERNITY BENEFITS		DAY CARE FACILITIES	
		NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
<b>Permanent employees</b>											
Male	17,795	17,795	100	17,795	100	-	-	17,795	100	7,610	43
Female	2,327	2,327	100	2,327	100	2,327	100	-	-	1,614	70
<b>Total</b>	<b>20,122</b>	<b>20,122</b>	<b>100</b>	<b>20,122</b>	<b>100</b>	<b>2,327</b>	<b>100</b>	<b>17,795</b>	<b>100</b>	<b>9,224</b>	<b>46</b>
<b>Other than permanent employees</b>											
Male	3,997	3,997	100	-	-	-	-	3,997	100	-	-
Female	891	891	100	-	-	891	100	-	-	-	-
<b>Total</b>	<b>4,888</b>	<b>4,888</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>891</b>	<b>100</b>	<b>3,997</b>	<b>100</b>	<b>-</b>	<b>-</b>

#### B. DETAILS OF MEASURES FOR THE WELL-BEING OF WORKERS

CATEGORY	% OF WORKERS COVERED BY											
	TOTAL	HEALTH INSURANCE		ACCIDENT INSURANCE		MATERNITY BENEFITS		PATERNITY BENEFITS		DAY CARE FACILITIES		
		NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	
<b>Permanent workers</b>												
Male	509	509	100	509	100	-	-	509	100	424	83.3	
Female	20	20	100	20	100	20	100	-	-	20	100	
<b>Total</b>	<b>529</b>	<b>529</b>	<b>100</b>	<b>529</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>509</b>	<b>100</b>	<b>444</b>	<b>83.9</b>	
<b>Other than permanent workers</b>												
Male	5,230	5,230	100	5,230	100	All covered under Maternity Benefits Act	100	Depends on the paternity benefit policy of the contractor	NA	-	-	
Female												
<b>Total</b>	All covered under Employee State Insurance Act.											

#### 2. DETAILS OF RETIREMENT BENEFITS, FOR CURRENT FINANCIAL YEAR AND PREVIOUS FINANCIAL YEAR

BENEFITS*	FY 2021-22			FY 2020-21		
	NUMBER OF EMPLOYEES COVERED AS A % OF TOTAL EMPLOYEE	NUMBER OF WORKERS COVERED AS A % OF TOTAL WORKERS	DEDUCTED AND DEPOSITED WITH THE AUTHORITY (Y/N/NA)	NUMBER OF EMPLOYEES COVERED AS A % OF TOTAL EMPLOYEES	NUMBER OF WORKERS COVERED AS A % OF TOTAL WORKERS	DEDUCTED AND DEPOSITED WITH THE AUTHORITY (Y/N/NA)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	1.2	100	Yes	1.2	100	Yes
Others – Superannuation	7.3	-	-	7.3	-	-

\*Data for India only



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**

The premises/ offices of the Company, including the registered and corporate offices have ramps 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.

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**

The Code of Business Conduct and Ethics (COBE) of the Company provides for an Equal Opportunity Policy to create an inclusive work environment by providing equal employment opportunities to foster 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 organization. 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>

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	99.8%	84%		
Female	90.3%	82%		
<b>Total</b>	<b>98.1%</b>	<b>83%</b>		

6. **IS THERE A MECHANISM AVAILABLE TO RECEIVE AND REDRESS GRIEVANCES FOR THE FOLLOWING CATEGORIES OF EMPLOYEES AND WORKER? IF YES, GIVE DETAILS OF THE MECHANISM IN BRIEF**

	YES/NO	(IF YES, THEN GIVE DETAILS OF THE MECHANISM IN BRIEF)
Permanent workers	Yes	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. The Audit Committee Chairperson is the Chief Ombudsperson.
Other than permanent workers	Yes	Concerns raised to the Company and their resolutions are reported through the Chief Ombudsperson to the Audit Committee and wherever applicable, to the Board.
Permanent employees	Yes	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: <a href="https://www.drreddys.com/investor#governance">https://www.drreddys.com/investor#governance</a>
Other than permanent employees	Yes	Ombudsperson reporting channel website link: <a href="https://drreddys.ethicspoint.com/">https://drreddys.ethicspoint.com/</a>

7. **MEMBERSHIP OF EMPLOYEES AND WORKER IN ASSOCIATION(S) OR UNIONS RECOGNISED BY THE LISTED ENTITY**

CATEGORY	FY 2021-22			FY 2020-21		
	TOTAL EMPLOYEES/ WORKERS IN RESPECTIVE CATEGORY	NUMBER OF EMPLOYEES/ WORKERS IN RESPECTIVE CATEGORY, WHO ARE PART OF ASSOCIATION(S) OR UNION	%	TOTAL EMPLOYEES/ WORKERS IN RESPECTIVE CATEGORY	NUMBER OF EMPLOYEES/ WORKERS IN RESPECTIVE CATEGORY, WHO ARE PART OF ASSOCIATION(S) OR UNION	%
<b>Permanent employees</b>						
Male	17,795	-	-	17,094	-	-
Female	2,327	-	-	2,163	-	-
<b>Total</b>	<b>20,122</b>	<b>-</b>	<b>-</b>	<b>19,257</b>	<b>-</b>	<b>-</b>
<b>Permanent workers</b>						
Male	509	509	100	513	513	100
Female	20	20	100	20	20	100
<b>Total</b>	<b>529</b>	<b>529</b>	<b>100</b>	<b>533</b>	<b>533</b>	<b>100</b>

8. **DETAILS OF TRAINING GIVEN TO EMPLOYEES AND WORKERS**

	FY 2021-22				FY 2020-21					
	TOTAL	ON HEALTH AND SAFETY MEASURES*		ON SKILL UPGRADATION		TOTAL	ON HEALTH AND SAFETY MEASURES*		ON SKILL UPGRADATION	
		NUMBERS	%	NUMBERS	%		NUMBERS	%	NUMBERS	%
<b>Employees</b>										
Male	17,795	-	-	16,311	91.66	17,094	-	-	15,399	90.08
Female	2,327	-	-	2,216	95.23	2,163	-	-	2,085	96.39
<b>Total</b>	<b>20,122</b>	<b>-</b>	<b>-</b>	<b>18,527</b>	<b>92.07</b>	<b>19,257</b>	<b>-</b>	<b>-</b>	<b>17,484</b>	<b>90.79</b>
<b>Workers</b>										
Male	509	-	-	498	97.84	513	-	-	426	83.04
Female	20	-	-	20	100	20	-	-	20	100
<b>Total</b>	<b>529</b>	<b>-</b>	<b>-</b>	<b>518</b>	<b>97.92</b>	<b>533</b>	<b>-</b>	<b>-</b>	<b>446</b>	<b>83.68</b>

\*We are in the process of establishing a mechanism to record the training details.

9. **DETAILS OF PERFORMANCE AND CAREER DEVELOPMENT REVIEWS OF EMPLOYEES AND WORKER**

CATEGORY	FY 2021-22			FY 2020-21		
	TOTAL	NUMBERS	%	TOTAL	NUMBERS	%
<b>Employees</b>						
Male	17,795	17,795	100	17,094	17,094	100
Female	2,327	2,327	100	2,163	2,163	100
<b>Total</b>	<b>20,122</b>	<b>20,122</b>	<b>100</b>	<b>19,257</b>	<b>19,257</b>	<b>100</b>
<b>Workers</b>						
Male	509	509	100	513	513	100
Female	20	20	100	20	20	100
<b>Total</b>	<b>529</b>	<b>529</b>	<b>100</b>	<b>533</b>	<b>533</b>	<b>100</b>

10. **Health and safety management system**

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

Yes, we have implemented an occupational health and safety management system. Seven of our ten formulations units have been certified under ISO 45001. The coverage is 100% of our entity, and it covers 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**

We have developed a guidance document which provides the course on how to identify, evaluate SH&E risks, and reduce them to an acceptable level by strengthening existing controls and/ or incorporating additional controls for all the activities within the premises of the organization. The standard clearly outlines the role and responsibilities of individuals directly involved in identifying and mitigating SH&E risks.

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 the team on daily basis through Tool Box talks. In this forum, workmen actively participate to give suggestions and feedback for improvement.

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

Yes, we have rolled out My Health index, a proactive health and well-being initiative that takes care of the overall physical and mental well-being of employees.

**11. DETAILS OF SAFETY RELATED INCIDENTS**

SAFETY INCIDENT/ NUMBER	CATEGORY	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.16	0.18
	Workers		
Total recordable work-related injuries	Employees	20	16
	Workers	13	9
Number of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

At Dr. Reddy's, we emphasize 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 H&S performance continually.

**13. NUMBER OF COMPLAINTS ON THE FOLLOWING MADE BY EMPLOYEES AND WORKERS**

	FY 2021-22		REMARKS	FY 2020-21		REMARKS
	FILED DURING THE YEAR	PENDING RESOLUTION AT THE END OF YEAR		FILED DURING THE YEAR	PENDING RESOLUTION AT THE END OF YEAR	
Working Conditions	Nil	Nil		Nil	Nil	
Health & Safety	Nil	Nil		Nil	Nil	

**14. ASSESSMENTS FOR THE YEAR**

	% OF PLANTS AND OFFICES THAT WERE ASSESSED (BY ENTITY OR STATUTORY AUTHORITIES OR THIRD PARTIES)
Health and safety practices	100
Working Conditions	100

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

Not applicable

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

Yes, for both employees and workers

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

The Company ensures that statutory dues as applicable to the transactions within its remit are deducted and deposited in accordance with extant 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 NUMBER OF AFFECTED EMPLOYEES/ WORKERS		NUMBER OF EMPLOYEES/WORKERS THAT ARE REHABILITATED AND PLACED IN SUITABLE EMPLOYMENT OR WHOSE FAMILY MEMBERS HAVE BEEN PLACED IN SUITABLE EMPLOYMENT	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

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

Yes

**5. DETAILS ON ASSESSMENT OF VALUE CHAIN PARTNERS**

% OF VALUE CHAIN PARTNERS (BY VALUE OF BUSINESS DONE WITH SUCH PARTNERS) THAT WERE ASSESSED

Health and safety practices	4.8
Working conditions	4.8

**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**

No corrective action plan has been necessitated on the above-mentioned parameters.

In case any such risks/ concerns are observed, the Company may provide a reasonable timeframe for compliance. On a case-to-case basis, the Company may evaluate the respective risks/ concerns and may call for a corrective action plan from the value chain partners.

**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 key stakeholders include employees, investors, suppliers and partners, customers, government authorities, healthcare professionals, patients and the community.

SR. NO.	STAKEHOLDER GROUP	WHETHER IDENTIFIED AS VULNERABLE & MARGINALIZED GROUP (YES/NO)	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 labs, manufacturing locations and in the field. Our engagement ranges from providing the latest and updated information on Company and industry developments, avenues for employee voice to 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 them so that they can take an informed decision to invest in our Company. The key areas of engagement includes an update on the business and financial performance, 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	Multiple patient assistance programs (Financial assistance program, Lifestyle support program, Education, counselling programs), Disease management and awareness initiatives. Different marketing channels (print, digital, social media) to inform patients about our OTC products. Customer services to report any feedback/ adverse effects from our products.	Frequent and need based	Patient centricity is the core tenet of our organization. Through our customer assistance and outreach programs, we try to help educate, provide support, increase 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.



SR. NO.	STAKEHOLDER GROUP	WHETHER IDENTIFIED AS VULNERABLE & MARGINALIZED GROUP (YES/NO)	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, web 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, and to discuss 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 and maximize the outreach of our products.
6	Suppliers & Partners	No	Physical and virtual meetings, supplier forums, partner events, calls, e-mail, website	Frequent and need based	Making a holistic impact on the health of patients worldwide requires us to work with partners across the healthcare value chain. We emphasize fair, transparent, and ethical practices and seek partners who share the same commitment towards compliance with laws, regulations, published standards and environmental practices.
7	Government authorities	No	Our interactions with authorities take place through e-mails, meetings, submissions, etc. as required.	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.
8	Community	Yes	Our engagement with the community includes physical visits as well as 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 around the world. Additionally, we also run training, awareness and empowerment programmes.

### LEADERSHIP INDICATORS

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

Consultation with the respective stakeholder groups is done by the relevant business and functional heads. Feedback from such consultations is shared with the Board during the quarterly Board meetings.

- 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 organizational 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 also conducted a materiality assessment that involved an intensive stakeholder engagement round. Our internal and external stakeholders identified key material topics across ESG that are likely to impact Dr. Reddy's 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 Dr. Reddy's action areas and our sustainability framework.

- Details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups

**Patients:** We have various patient assistance programs that provides financial assistance 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.

**Community:** We implement several CSR programs in the areas of education, skilling and livelihood, health and environmental sustainability through partners and local NGOs for marginalized sections of communities.

## PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

### ESSENTIAL INDICATORS

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity

The Company provides training on human rights issues and policies of the Company. We are in the process of establishing a mechanism to record the training details.

### 2. DETAILS OF MINIMUM WAGES PAID TO EMPLOYEES AND WORKERS

	FY 2021-22				FY 2020-21					
	TOTAL	EQUAL TO MINIMUM WAGE		MORE THAN MINIMUM WAGE		TOTAL	EQUAL TO MINIMUM WAGE		MORE THAN MINIMUM WAGE	
		NUMBERS	%	NUMBERS	%		NUMBERS	%	NUMBERS	%
<b>Permanent employees</b>										
Male	17,795	-	-	17,795	100	17,094	-	-	17,094	100
Female	2,327	-	-	2,327	100	2,163	-	-	2,163	100
<b>Total</b>	<b>20,122</b>	<b>-</b>	<b>-</b>	<b>20,122</b>	<b>100</b>	<b>19,257</b>	<b>-</b>	<b>-</b>	<b>19,257</b>	<b>100</b>
<b>Other than permanent employees</b>										
Male	3,997	-	-	3,997	100	37	-	-	37	100
Female	891	-	-	891	100	49	-	-	49	100
<b>Total</b>	<b>4,888</b>	<b>-</b>	<b>-</b>	<b>4,888</b>	<b>100</b>	<b>86*</b>	<b>-</b>	<b>-</b>	<b>86</b>	<b>100</b>
<b>Permanent workers</b>										
Male	509	-	-	509	100	513	-	-	513	100
Female	20	-	-	20	100	20	-	-	20	100
<b>Total</b>	<b>529</b>	<b>-</b>	<b>-</b>	<b>529</b>	<b>100</b>	<b>533</b>	<b>-</b>	<b>-</b>	<b>533</b>	<b>100</b>
<b>Other than permanent workers</b>										
Male	Not available				Not available					
Female	Not available				Not available					

\*Details only for people on fixed term contract. However, mechanism has already been put in place to capture the information.

- Details of remuneration/ salary/ wages

	MEDIAN REMUNERATION			
	MALE		FEMALE	
	NUMBER	MEDIAN REMUNERATION/ SALARY/ WAGES OF RESPECTIVE CATEGORY	NUMBER	MEDIAN REMUNERATION/ SALARY/ WAGES OF RESPECTIVE CATEGORY
BoDs	8	INR 128.84 Lakhs	3	INR 121.26 Lakhs
KMPs	3	INR 448.60 Lakhs	0	Not applicable
Employees other than BoDs and KMPs	17,790	INR 5.02 Lakhs	2,327	INR 5.01 Lakhs
		For trainees- INR 2.38 Lakhs		For trainees- INR 2.20 Lakhs
		For non- trainees - INR 5.08 Lakhs		For non- trainees - INR 5.26 Lakhs
Workers	509	INR 6.58 Lakhs	20	INR 5.54 Lakhs

- Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business

Yes

- 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 the Company for the purpose of compliance with the Ombudsperson Policy.

**6. NUMBER OF COMPLAINTS ON THE FOLLOWING MADE BY EMPLOYEES AND WORKERS**

	FY 2021-22		REMARKS	FY 2020-21		REMARKS
	FILED DURING THE YEAR	PENDING RESOLUTION AT THE END OF YEAR		FILED DURING THE YEAR	PENDING RESOLUTION AT THE END OF YEAR	
Sexual Harassment	14	2	Out of two pending cases, one was closed in April 2022	15	1	The case was closed as per PoSH policy timelines, subsequent to the closure of financial year
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

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

Dr. Reddy's policy on Ombudsperson also 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, Dr. Reddy's follows 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. Disciplinary action may be initiated if an employee knowingly raises a false or misleading concern.

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

Yes

**9. ASSESSMENTS FOR THE YEAR**

	% OF YOUR PLANTS AND OFFICES THAT WERE ASSESSED (BY ENTITY OR STATUTORY AUTHORITIES OR THIRD PARTIES)
Child labour	
Forced/ involuntary labour	
Sexual harassment	
Discrimination at workplace	37.5
Wages	
Others – please specify	

Note: Out of 16 manufacturing plants in India, 6 manufacturing plants (FTO 2, FTO 3, PU I, PU II, FTO 7 and FTO 9) are SA 8000 certified.

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

During the assessment, no significant risks/ concerns identified.

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

We are in the process of modifying our human rights policy and the response mechanism for addressing human rights grievances/ complaints. All the human rights complaints are taken seriously and handled confidentially. We are working continuously to mitigate these issues from our operations by regularly reviewing the risk mapping of potential human rights issues.

**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 identified issues include child labor, forced labor, 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**

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**

	% OF VALUE CHAIN PARTNERS (BY VALUE OF BUSINESS DONE WITH SUCH PARTNERS) THAT WERE ASSESSED
Child labour	
Forced/ involuntary labour	
Sexual harassment Discrimination at workplace	4.8
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 (No major risk identified)

**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	FY 2021-22 (GJ)	FY 2020-21 (GJ)
Total electricity consumption (A)	1,259,881	1,232,905
Total fuel consumption (B)	3,235,123	3,416,994
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	4,495,004	4,649,899
Energy intensity per rupee of turnover in Gigajoules (GJ)/ INR Million*	21	24.5

\* Based on IFRS financials

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

Third party assurance by DNV for FY2022 is under progress.

**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**

None of our sites comes under PAT scheme as Designated Consumers.

**3. PROVIDE DETAILS OF THE FOLLOWING DISCLOSURES RELATED TO WATER**

PARAMETERS	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	53,293	42,135
(ii) Groundwater	1,040,154	979,080
(iii) Third party water	110,925	175,470
(iv) Seawater/ desalinated water	0	0
v) Others (Municipal)	633,647	666,106
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,838,019	1,862,791
Total volume of water consumption (in kilolitres)	1,704,281	1,694,611
Fresh Water intensity per rupee of turnover KL/ INR Million*	8.3	9.6

\* Based on IFRS financials



**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.**

Third party assurance by DNV for FY2022 is under progress.

**4. 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 21 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.

**5. PLEASE PROVIDE DETAILS OF AIR EMISSIONS (OTHER THAN GHG EMISSIONS) BY THE ENTITY**

PARAMETERS	UNITS	FY 2021-22	FY 2020-21
NOx	Metric Tonnes	103.5	169
SOx	Metric Tonnes	247.4	364
Particulate matter (PM)	Metric Tonnes	78.6	117

**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.**

Third party assurance by DNV for FY2022 is under progress

**6. PROVIDE DETAILS OF GREENHOUSE GAS EMISSIONS (SCOPE 1 AND SCOPE 2 EMISSIONS) & ITS INTENSITY**

PARAMETERS	UNITS	FY 2021-22	FY 2020-21
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	302,466	349,974
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	166,247	177,457
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric Tonnes/ INR Million*	2.2	2.8

\* Based on IFRS financials

**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.**

Third party assurance by DNV for FY2022 is under progress.

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

Yes, we have implemented multiple projects for reducing greenhouse gas emissions from our operations. Those include shifting to Piped Natural Gas in place of Furnace oil at FTO 2 & 3; shifting to Biomass or Briquette fuel in place of coal at CTOs, sourcing of renewable power through power purchase agreements and setting up rooftop solar power.

This has resulted in emission reduction of 58,124 MtCO<sub>2</sub>e.

**8. PROVIDE DETAILS RELATED TO WASTE MANAGEMENT BY THE ENTITY**

PARAMETERS	FY 2021-22	FY 2020-21
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	472.8	468.8
E-waste (B)	4.8	7
Bio-medical waste (C)	169.1	139
Construction and demolition waste (D)	638.1	100
Battery waste (E)	58.7	60.4
Radioactive waste (F)	0	0
Other hazardous waste* (G)	32,726.8	24,217.5
Other Non-hazardous waste generated** (H)	13,024.4	18,823.1
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>47,094.7</b>	<b>43,815.7</b>

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) – All other wastes except hazardous waste (A+B + C + D + E + F + H)

**8. PROVIDE DETAILS RELATED TO WASTE MANAGEMENT BY THE ENTITY**

PARAMETERS	FY 2021-22	FY 2020-21
<b>Category of waste</b>		
(i) Recycled	7,640.6	6,539.3
(ii) Re-used	2,755.5	8,888.3
(iii) Other recovery operations	3,962.6	4,170.6
<b>Total</b>	<b>14,358.7</b>	<b>19,598.2</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) – Hazardous Waste (G)</b>		
<b>Category of waste</b>		
(i) Incineration	187.8	254.6
(ii) Landfilling	32.7	53.3
(iii) Other disposal operations (Co-processing or recycling)	32,506.2	23,909.6
<b>Total</b>	<b>32,726.8</b>	<b>24,217.5</b>

\*Other non-hazardous waste includes briquettes ash, metal scrap and scrap equipments, drums, wooden pallets, waste GI ducts sheet.

\*\* Other hazardous waste includes used oil, off-spec products, ZLD residue, organic solvents, chemical sludges, expiry chemicals, etc.

**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.**

Third party assurance by DNV for FY2022 is under progress.

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

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 authorized 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 optimization etc. For example, we have replaced plastic boxes with paper boxes for commercialized products (Practin tablets), removed triple laminated films and LDPE bags from primary packaging (Ibandronate tablets).

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

None of our sites are located in ecologically sensitive sites.

**11. 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
-	-	-	-	-	-

Under the EIA notification 2006, one EIA assessment project is under progress for our greenfield project i.e desalination plant at Pydibheemavaram is currently undergoing this activity.

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

We follow all the applicable environmental law/ regulations/ guidelines in India

## LEADERSHIP INDICATORS

1. PROVIDE BREAK-UP OF THE TOTAL ENERGY CONSUMED (IN JOULES OR MULTIPLES) FROM RENEWABLE AND NON-RENEWABLE SOURCES		
PARAMETERS	FY 2021-22 (GJ)	FY 2020-21 (GJ)
<b>From renewable sources</b>		
Total electricity consumption (A)	381,069	291,132
Total fuel consumption (B)	153,349	99,173
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>534,418</b>	<b>390,305</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	878,812	941,773
Total fuel consumption (E)	3,081,774	3,317,821
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>3,960,586</b>	<b>4,259,594</b>

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

Third party assurance by DNV for FY2022 is under progress.

2. PROVIDE THE FOLLOWING DETAILS RELATED TO WATER DISCHARGED		
PARAMETER	FY 2021-22	FY 2020-21
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties (CETP)		
- No treatment		
- With treatment – please specify level of treatment (Primary Treatment)	133,738.2	168,180
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
<b>Total water discharged (in kilolitres)</b>	<b>133,738.2</b>	<b>168,180</b>

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

Third party assurance by DNV for FY2022 is under progress.

3. **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:

- (i) **Name of the area:** Hyderabad, Pydibhimavaram  
(ii) **Nature of operations:** Manufacturing

(iii) WATER WITHDRAWAL, CONSUMPTION AND DISCHARGE		
PARAMETERS	FY 2021-22	FY 2020-21
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	40,975	27,696
(ii) Groundwater	468,156	443,206
(iii) Third party water	110,925	175,470
(iv) Seawater/ desalinated water	0	0
(v) Others	334,593	317,791
Total volume of water withdrawal (in kilolitres)	954,649	964,164
Total volume of water consumption (in kilolitres)	950,874	961,594
Water intensity per rupee of turnover (Water consumed/ turnover)	4.3	4.9
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	3,775 KL (primary treatment)	2,570 KL (primary treatment)
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
<b>Total water discharged (in kilolitres)</b>	<b>3,775</b>	<b>2,570</b>

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

Third party assurance by DNV for FY2022 is under progress.

4. PLEASE PROVIDE DETAILS OF TOTAL SCOPE 3 EMISSIONS & ITS INTENSITY			
PARAMETERS	UNITS	FY 2021-22	FY 2020-21
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	470,262	471,580
Total Scope 3 emissions per rupee of turnover	MT CO <sub>2</sub> e/ INR Million*	2.2	2.5

\* Based on IFRS financials

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

Third party assurance by DNV for FY2022 is under progress.

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

Not applicable



**6. IF THE ENTITY HAS UNDERTAKEN ANY SPECIFIC INITIATIVES OR USED INNOVATIVE TECHNOLOGY OR SOLUTIONS TO IMPROVE RESOURCE EFFICIENCY, OR REDUCE IMPACT DUE TO EMISSIONS/ EFFLUENT DISCHARGE/ WASTE GENERATED, PLEASE PROVIDE DETAILS OF THE SAME AS WELL AS OUTCOME OF SUCH INITIATIVES**

SR. NO	INITIATIVE UNDERTAKEN	DETAILS OF THE INITIATIVE (WEB-LINK, IF ANY, MAY BE PROVIDED ALONG-WITH SUMMARY)	OUTCOME OF THE INITIATIVE
1	Fuel Substitution	Following fuel substitutions projects implemented during FY 2022 A. FTO 2 - Boiler fuel substitution - from Furnace Oil to Piped Natural Gas B. FTO 3 - Boiler fuel substitution - from Furnace Oil to Piped Natural Gas C. FTO 7 & 9 - Boiler fuel substitution - from Furnace Oil to briquette	FO consumption reduced by 2,008 KL as well as CO <sub>2</sub> emissions from FY2021
2	Energy Mix	Increased Renewable Energy consumption through Power Purchased Agreements (PPAs), JVC and Onsite Renewable Energy Generation	The overall percentage of Renewable Energy Consumption increased to 30% in India and resulted in reduction in CO <sub>2</sub> emissions from FY2021

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

Yes. Dr. Reddy's has adopted a business continuity and disaster management strategy focusing on the ability to provide and maintain an acceptable level of service in the face of any planned or unplanned interruption related onsite emergencies at its manufacturing facilities, IT, supply chain, etc.

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

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

Not available

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

4.8%

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

**ESSENTIAL INDICATORS**

**1. a. Number of affiliations with trade and industry chambers/ associations: 7**

**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**

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	National
7	Pharmaceutical Supply Chain Initiative (PSCI)	International

**2. 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	
	NIL	

**LEADERSHIP INDICATORS**

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

The Company works closely with various trade and industry associations. This 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 advocates any policy change to benefit itself or a select few.

**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 NUMBER	DATE OF NOTIFICATION	WHETHER CONDUCTED BY INDEPENDENT EXTERNAL AGENCY (YES/NO)	RESULTS COMMUNICATED IN PUBLIC DOMAIN (YES/NO)	RELEVANT WEB LINK
-	-	-	-	-	-

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

Not applicable

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

Not applicable

**4. PERCENTAGE OF INPUT MATERIAL (INPUTS TO TOTAL INPUTS BY VALUE) SOURCED FROM SUPPLIERS**

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs/ small producers	4.1%	3.4%
Sourced directly from within the district and neighbouring districts	71%	62.8%

**LEADERSHIP INDICATORS**

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

Not applicable

**2. PROVIDE THE FOLLOWING INFORMATION ON CSR PROJECTS UNDERTAKEN BY YOUR ENTITY IN DESIGNATED ASPIRATIONAL DISTRICTS AS IDENTIFIED BY GOVERNMENT BODIES**

SR. NO.	STATE	ASPIRATIONAL DISTRICT	AMOUNT SPENT (IN INR)
1	Andhra Pradesh	Vizianagaram	13,086,862
2	Andhra Pradesh	Visakhapatnam	7,701,774

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

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 marginalized/ vulnerable groups in our supplier qualifying criteria.

**(b) From which marginalized/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**

Not applicable

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

Not applicable

6. DETAILS OF BENEFICIARIES OF CSR PROJECTS

SR. NO.	CSR PROJECTS	NUMBER OF PERSONS BENEFITTED FROM CSR PROJECTS	% OF BENEFICIARIES FROM VULNERABLE AND MARGINALIZED GROUP
1	Quality education support serving low-income community	2,625	
2	School Improvement Programme (SIP) in Government Schools	65,286	
3	School Construction	330	
4	Skilling & Employability Program for Youth	944	
5	Making Integrated Transformation for Resourceful Agriculture (MITRA)	40,400	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
6	Farmer Livelihood Project	12,499	
7	Psychological health support	6,237	
8	Community Health Intervention Programme	61,718	
9	Healthcare support to Yanam Old Age Home	50	
10	Action for Climate and Environment	5,883	
11	COVID relief activities*	168,360*	
12	Community development initiatives	Community development initiatives were undertaken to help communities at large.	

\*Multiple Covid relief initiatives were undertaken to support the communities during Covid second wave. 1,68,360 individuals benefitted directly through initiatives such as Covid testing and awareness programmes. In addition, a number of individuals benefitted indirectly through other initiatives like provision of medical infrastructure, PPEs, etc.

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	
Safe and responsible usage	Not available
Recycling and/or safe disposal	

3. NUMBER OF CONSUMER COMPLAINTS IN RESPECT OF THE FOLLOWING:

	FY 2021-22			FY 2020-21		
	RECEIVED DURING THE YEAR	PENDING RESOLUTION AT END OF YEAR	REMARKS	RECEIVED DURING THE YEAR	PENDING RESOLUTION AT END OF YEAR	REMARKS
Data Privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

4. DETAILS OF INSTANCES OF PRODUCT RECALLS ON ACCOUNT OF SAFETY ISSUES

	NUMBERS	REASONS FOR RECALL
Voluntary recalls	24	1. Recalled due to out of specification results in various tests. 2. Recalled due to incidents reported. 3. Recalled due to various market complaints received.
Forced recalls	Nil	-

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

The Company is in process of finalising the Policy.

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.

LEADERSHIP INDICATORS

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

There are different websites/ platforms for various businesses:

<https://www.drreddys.com/india/portfolio/top-brands/>

<https://www.drreddys.com/russia-en/products/product-list/>

<https://www.drreddys.com/united-states/our-products/>

<https://www.drreddys.com/germany/our-products/>

<https://www.drreddys.com/united-kingdom/our-products/>

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

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

Dr. Reddy's conducts promotional and non-promotional meetings. In these meetings, we educate Clinical Pharmacy (CPs) on responsible usage of our products. Our new products also carry a detailed information leaflet on the safe use of the product.

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

During the year, there were no major critical service disruptions.

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.

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.

5. Provide the following information relating to data breaches:

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

b. Percentage of data breaches involving personally identifiable information of customer: Nil