



DR. REDDY'S THIRD PARTY CODE OF CONDUCT

2025

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Foreword from Chief Compliance Officer

Dear Valued Partner,

We are proud of how our business is anchored in our dedication to ethics and compliance with all relevant laws, regulations, guidelines, and industry codes. As we navigate an ever-evolving regulatory environment, it is essential that we uphold the highest ethical standards and comply with global regulations. This underpins all our actions.

The standards of business conduct and ethics for Third Parties specified in this Third Party Code of Conduct (TPCoC) applies to all third-party entities with whom we have business dealings, including suppliers, distributors, consultants, service providers and licensing partners. Our organizational values have driven our growth and earned us the trust of patients, doctors, customers, stakeholders, and third parties, a trust we must continually renew through our consistent efforts.

We acknowledge the essential role that Third Parties play in our success, and we aim to collaborate only with those who align with our commitment to these standards. We expect our Third Parties to have procedures and systems in place to ensure compliance with all relevant laws, regulations, guidelines, and industry codes.

Dr. Reddy's offers a channel for employees and Third Parties to raise questions, or report concerns about potential breaches of these Standards.

Thank you for your unwavering commitment to these Standards.

Best regards,
Chief Compliance Officer.



Introduction

Dr. Reddy's provides high-quality products and services that enhance patient health. Our mission is to accelerate access to affordable and innovative medicines because **Good Health Can't Wait**. This **Third-Party Code of Conduct** ("Code") defines the minimum standards that Dr. Reddy's expects its third parties to respect and adhere to when conducting business with Dr. Reddy's.

The Code takes guidance from the (PSCI) Pharmaceutical Industry Principles for Responsible Supply Chain Management (the "Principles") and is integral to our Sustainable Development approach and internal Code of Business Conduct and Ethics (COBE).

This Code also takes into consideration the relevant clauses of the UN Universal Declaration of Human Rights, the ILO Core conventions and the UN Convention against Corruption.



Scope and Applicability

This Code applies to all Third Parties doing business with Dr. Reddy's (including its affiliates, subsidiaries, and joint ventures, collectively referred as Dr. Reddy's or 'Company'). Third parties include all organizations and individuals, such as their officers, directors, employees, contractors, and any associated personnel involved in dealings with Dr. Reddy's.

Third Parties are responsible for:



Disseminating, educating, and exercising diligence to ensure compliance with the Code by their directors, employees, agents, and sub-tier suppliers or contractors.



Reporting suspected violations of laws, rules, or regulations either through internal reporting channels or the designated channels provided by Dr. Reddy's.

This Code outlines expectations for ethical conduct, legal compliance, respect for human rights, environmental responsibility, and the delivery of high-quality products and services. By adhering to this Code, Third Parties affirm their commitment to supporting Dr. Reddy's mission of providing affordable, innovative medicines that enhance lives and promote global health.



A. Ethics

Third parties are expected to conduct their business ethically and with integrity. The key ethical elements include:

- I. **Business Integrity:** Third parties must uphold high standards of integrity and transparency in all dealings with Dr. Reddy's, avoiding any form of corruption, extortion, or embezzlement.
- II. **Insider Trading:** Third parties must not discuss Dr. Reddy's prospects, performance, or policies with external parties. Insider information that could impact Dr. Reddy's securities must not be disclosed unless mandated by law or an order from a competent authority. Additionally, third parties are prohibited from publicly posting of any confidential or proprietary information related to Dr. Reddy's business.
- III. **Fair Competition:** Third parties must maintain fair business practices in compliance with all anti-trust laws. Practices such as collusive bidding, price-fixing, and misleading advertising must be avoided.
- IV. **Business Non-Discrimination:** Third-Parties will be selected, and business awarded, without discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, or marital status.
- V. **Privacy & Intellectual Property:** Third parties must protect the data privacy and intellectual property rights of Dr. Reddy's, its directors, employees, agents, and business partners.
- VI. **Conflict of Interest:** Third parties must avoid any actual or potential conflicts of interest. Any situation that might appear as a conflict should be reported to Dr. Reddy's.
- VII. **Entertainment and Gifts:** Third parties are expected to refrain from offering gifts, favours, services, entertainment, money, or items of value intended to influence business decisions.
- VIII. **Animal Welfare:** Animals must be treated humanely, with minimized pain and stress. Alternatives to animal testing should be considered, when scientifically valid and acceptable to regulators.
- IX. **Patient safety & access to information:** Third parties must implement adequate management systems to minimize any adverse impact on the rights of patients, subjects, and donors, including their rights to health and direct access to information.
- X. **Accuracy of Business Records:** Financial records must conform to generally accepted accounting principles, be complete, accurate, legible, transparent, and reflect actual transactions.
- XI. **Cooperation with Government Agencies:** Third parties must comply with local laws and cooperate with government agencies, including granting access to facilities and personnel when needed. If required, they must notify the relevant authorities upon receiving credible information that any personnel, contractor, or subcontractor has violated local laws.
- XII. **Data Controls:** Third parties must protect Dr. Reddy's data and confidential information, implementing necessary controls. Breaches will be considered material and subject to termination and compensation claims.
- XIII. **Usage of Brand:** Third parties must not use Dr. Reddy's brands without obtaining written permission from Dr. Reddy's. If authorized to represent or use the marketing content, third parties must comply with Dr. Reddy's Code of Business Conduct and Ethics.
- XIV. **Political and Government Relations:** Third parties must disclose any direct or indirect relationships with political parties, individuals associated with political parties, or government servants as necessary.



- XV. **Anti - Bribery and Corruption:** Third parties are prohibited from making or receiving payments, gifts, or commitments to or from Dr. Reddy's employees or government officials that violate any applicable laws, policies, or standards. Dr. Reddy's is not liable for any such actions or their consequences. Third Parties must provide anti-bribery and anti-corruption training to relevant personnel, including subcontractors. Dr. Reddy's may evaluate this training and request additional training if necessary. Third Parties must certify that the training has taken place upon Dr. Reddy's request.
- XVI. **Money Laundering:** Third Parties must not provide any service or enter any arrangement that could involve Dr. Reddy's, either directly or indirectly, in money laundering activities. Third Parties must also refrain from channelling funds to or supporting illegal activities such as, tax evasion, and fraud.
- XVII. **Social Media:** Third Parties are required to maintain professionalism on social media platforms, avoiding any disrespectful, unprofessional, harassing, defamatory, discriminatory, or otherwise prohibited activities. They must not act or speak on behalf of Dr. Reddy's, nor represent themselves as affiliated with Dr. Reddy's, or express views that may be construed as those of Dr. Reddy's without explicit authorization.



B. Labor and Human rights

Third parties are expected to uphold the human rights of their employees, treating them with dignity and respect. When applicable, third parties should comply with the Social Accountability (SA:8000) Or any equivalent standards. Key labour and human rights elements include:

- I. **Child Labor and Young Worker:** Third parties must not employ child labor. Young workers (under 18) may only be employed in non-hazardous work and must be above the country's legal age for employment or completing compulsory education. Assistance should be provided for the removal and rehabilitation of children from the worst forms of child labor.
- II. **Forced Labor:** All forms of forced or compulsory labor are prohibited. Employment must be voluntary, and personnel must be free to leave with reasonable notice. Employment terms must be clearly communicated in a language understood by the personnel.
- III. **Non-Discrimination:** Third parties must not discriminate based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, or marital status in employment practices.
- IV. **Termination of Employment:** Employment termination must only occur for valid reasons related to the personnel's capacity, conduct, or operational requirements.
- V. **Fair Treatment:** Third parties must ensure a workplace free from harassment and inhumane treatment, including sexual harassment, abuse, corporal punishment, mental or physical coercion, and unreasonable restrictions.
- VI. **Employment Policy:** Third parties should promote full, productive, and freely chosen employment, ensuring work for all who seek it. Employment should be based on skill and suitability, regardless of race, color, sex, religion, political opinion, national extraction, or social origin.
- VII. **Freedom to Express Oneself:** Personnel must have the right to associate freely, form and join organizations, seek representation, and bargain collectively. Employment should not be conditioned on union membership status.
- VIII. **Pre-Employment Screening:** Third parties providing man-power services must ensure that pre-employment or pre-engagement screening meets industry standards before confirming appointments.
- IX. **Local Communities:** Respect the rights of local communities living and working around worksites, including the right to a clean and healthy environment.





C. Wages and Benefits

- I. **Wage Compliance:** Ensure payment of at least the minimum wage to all workers as per applicable laws and provide all paid benefits. Periodically review and adjust minimum wage rates as required.
- II. **Equal Remuneration:** Comply with the principle of equal pay for men and women for work of equal value.
- III. **Communication and Transparency:** Clearly communicate the basis of compensation, overtime requirements, and corresponding wages to workers. Notify workers of the wage calculation method in a timely manner.
- IV. **Payment Methods:** Pay wages regularly and with reasonable frequency through cash, cheque, or bank transfer. Deductions for disciplinary reasons are prohibited.
- V. **Working Hours:** Ensure that daily and weekly working hours, including overtime, do not exceed the designated norms.



D. Health and safety

Third parties must develop and maintain a Health and Safety (HS) organization responsible for defining, implementing, and following up on an HS policy and HS Management System, including compliance with applicable local and national regulations. When applicable, they must comply with ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety Management), ISO 50001 (Energy Management), and SA 8000 (Social Accountability) requirements. The Health and Safety include:

- I. **Workers' Health and Safety Protection:** Identify and protect workers from physical, chemical, and biological hazards in the workplace, including risks from infrastructure. Provide safety information and training on identified risks and hazardous substances such as chemicals and pharmaceutical ingredients.
- II. **Protection from Hazardous Materials:** Implement a comprehensive safety policy for the use of chemicals at work, covering production, handling, storage, transport, disposal, and treatment of chemical waste. Provide safety information to educate and protect workers.
- III. **Response to Emergencies:** Identify and assess potential emergency situations in the workplace. Implement emergency response plans and procedures to minimize the impact of emergencies both inside and outside the site.
- IV. **Process Safety:** Maintain safety programs for all production processes in line with applicable safety standards. Address product-related issues and potential impacts at all stages of production. Conduct specific risk analyses for hazardous installations to prevent incidents such as chemical releases or explosions.
- V. **Social Security:** Establish minimum standards for social security benefits, covering medical care, sickness, unemployment, old age, employment injury, family, maternity, disability, and survivors' benefits.





E. Environmental Compliance and Sustainability

Third parties must comply with all applicable local manufacturing and environmental regulations and maintain all required permits, licenses, and registrations. They must adhere to all operational and reporting requirements. The environmental elements include:

- I. **Waste and Emissions Management:** Implement systems to ensure the safe handling, movement, storage, recycling, reuse, and management of waste, air emissions, and wastewater discharges. Manage, measure, control, and treat any activity that could impact human or environmental health. This includes managing releases of active pharmaceuticals into the environment (PiE). Prevent and mitigate accidental spills and releases into the environment.
- II. **Resource Conservation and Climate Protection:** Use natural resources (e.g., water, energy, raw materials) efficiently. Minimize or eliminate negative environmental and climate impacts through production modifications, material substitution, conservation, recycling, and reutilization. Develop climate-friendly products and processes to reduce power consumption and greenhouse gas emissions.
- III. **Biodiversity Conservation:** Third parties shall understand their impacts on biodiversity, reducing and mitigating their footprint wherever possible.
- IV. **Sustainable Sourcing and Traceability:** Third parties must procure all materials responsibly and ethically, ensuring due diligence on the sources of key ingredients to promote legal and sustainable sourcing. Third parties must verify whether the supply chain of products contains conflict minerals (including tantalum, tin, tungsten, and gold) - SIN list Chemicals (Benzene, Formaldehyde, Ethylene oxide, Acrylamide, Polychlorinated biphenyls (PCBs)Lead, Mercury, etc.,) to help Dr. Reddy's fulfil its obligations. Third parties must provide evidence of compliance upon request and support with necessary information on Greenhouse Gases (GHG) emissions, water consumption data, CO₂ reduction, and Scope-2/3 emissions norms, including Business responsibility and Sustainability reporting (BRSR), as per SEBI and other applicable regulations as per their respective geographies.
- V. **Compliance with Legal and Regulatory Requirements:** Ensure compliance with environmental protection regulations in all operating countries. Obtain and maintain necessary certificates and permits, prepare the required reports, and ensure transportation complies with all applicable laws. (say applicable environmental laws). All transportation vehicles must be in good working condition according to industry standards and legal requirements. Only four-wheelers and closed vehicles are permitted; two-wheelers and three-wheelers are not allowed for the transportation of consignments.
- VI. **Collaborative Development of Management Systems:** Dr. Reddy's is open to collaborating with third parties for the purpose of knowledge sharing to enhance its management systems on sustainability, EHS (Environmental, Health, and Safety) governance, and related areas.





F. International Trade Compliances and Sanctions

Cross-border trade is governed by multiple laws including, anti-money laundering laws, laws prohibiting illegal trade boycotts, and Sanction Laws that regulate imports and exports related to certain individuals or entities in "Sanctioned Countries," which are subject to change. Dr. Reddy's complies with all trade, import, and export control laws of the countries in which it operates and expects Third Parties to do the same.

Third Parties must disclose to Dr. Reddy's whether they are or have been subject to any Sanction Laws, notify Dr. Reddy's immediately if they become subject to any such laws, and provide correct and reliable information about their legal owners, actual owners, Board of Directors, Senior Management, and servicing bank, as well as notify any subsequent changes.

Third Parties must not make payments, provide benefits, or engage in transactions with third parties subject to Sanction Laws. Third Parties must maintain appropriate import, export, and customs records, obtain necessary licenses before exporting or re-exporting products, services, or technology, and not cooperate with restrictive trade practices or boycotts prohibited or penalized under applicable laws.



G. Data privacy and Information protection

In our business operations, third parties may collect or process personal data of individuals, such as employees, directors, patients, healthcare professionals, and customers. Third parties must ensure the privacy and security of such personal data in compliance to respective country's Data Privacy regulations.



To ensure this the following are required:

- I. **Organizational capabilities:** Third parties are required to maintain appropriate organizational structures, policies, and procedures, including staff awareness programs, to ensure legal compliance and uphold the confidentiality, integrity, and availability of personal data in line with Dr. Reddy's standards.
- II. **Information Security Measures:** Third parties must implement technical and organizational measures to prevent accidental, unauthorized, or unlawful loss, disclosure, access, alteration, or destruction of personal data and demonstrate compliance with these measures.
- III. **Compliance with Cross-border Transfer Provisions or Restrictions:** Where applicable, they must adhere to laws governing the localization and cross-border transfer of personal data, implementing necessary safeguards.
- IV. **Personal Data Breach Notification:** In the event of a suspected or actual data breach, third parties must notify Dr. Reddy's promptly, involve us in investigations, and indemnify us as per the contract terms.



H. Management Systems

Third parties must establish a management system to ensure compliance with laws, mitigate operational risks, and promote continuous improvement. Key elements include:

- I. **Risk Management:** Identify, assess, and manage risks in all areas in line with this Third-Party Code of Conduct and legal standards. Share Risk Mitigation plans when requested.
- II. **Documentation:** Maintain adequate documentation demonstrating adherence to this Third-Party Code of Conduct. Dispatch materials or provide services only after receiving an official Approved Purchase order (PO). Ensure all deliveries include necessary documentation as per local regulations.
- III. **Training and Competency:** Provide training for managers and employees on this Third-Party Code of Conduct, applicable laws, and standards.
- IV. **Communication:** Maintain clear communication of performance, practices, and expectations to personnel, Third parties, and customers. Establish effective systems to communicate these Principles to workers, customers, and Third Parties. Voluntarily disclose major milestones, incidents, and changes.
- V. **Commitment and Accountability:** Third parties shall demonstrate commitment to the principles described in this document by allocating appropriate resources, if required.
- VI. **Single Platform:** Use the relevant platform provided by Dr. Reddy's for all business transactions for submitting digitally signed invoices / other documents.
- VII. **Third party Selection & Monitoring:** Apply these principles when selecting partners and Third parties. Ensure they have systems to monitor compliance.
- VIII. **Business Continuity:** Develop and implement business continuity plans for operations supporting Dr. Reddy's business.
- IX. **Continual Improvement:** Continuously improve by setting goals, implementing plans, and addressing deficiencies identified through assessments and audits.
- X. **Economic Sustainability:** Promote social and economic development within the communities of operation. Engage diverse Third parties through inclusive procurement processes.
- XI. **Fraud Prevention and Reporting:** Implement robust fraud prevention and reporting programs. Report all instances of fraud involving Dr. Reddy's business, regardless of materiality.



- XII. **Grievance Mechanism of third party:** Third parties must establish accessible grievance mechanisms for both internal and external stakeholders, encouraging them to report concerns, illegal activities or breaches of these Principles without fear of reprisal, intimidation, or harassment.
- XIII. **Response and Remediation:** Third parties must thoroughly investigate any incidents or concerns related to these Principles, take appropriate corrective actions, and provide necessary remediation.
- XIV. **Whistle blower Protection:** Protect whistle blower confidentiality and prohibit retaliation. Provide an anonymous complaint mechanism for reporting workplace grievances, monitored by a designated officer.
- XV. **Right to Audit:** Dr. Reddy's reserves the right to audit our Third parties' facilities and their downstream third parties' facilities with or without prior intimation to them.
- XVI. **Product Protection and Quality:** Third parties must implement management and security systems to safeguard products, components, and ingredients from the risks of adulteration, falsification, or theft aimed at illegal resale.
- XVII. **Upstream Third parties:** The requirements of this Third-Party Code of Conduct apply to all Upstream Third parties for Third parties who sign this Third-Party Code of Conduct.

I. Quality Systems

- I. **Change Control:** Prohibit (including sub-suppliers) any changes in specification, part design, material, manufacturing process, manufacturing location, or registration status, for any goods that Dr. Reddy's will purchase, without prior written approval from Dr. Reddy's.
- II. **Quality / Delivery Performance:** Ensure on-time delivery following Dr. Reddy's requirements. Monitor product quality performance and demonstrate continuous improvement measured by decreased internal defects, customer complaints and defects shipped. Take proactive measures to prevent supply disruptions, including implementing CAPA (Corrective and Preventive Actions) processes. Maintain the capability to respond promptly to all complaints issued by Dr. Reddy's.
- III. **Quality System:** Demonstrate accountability for establishing a company-wide commitment to quality by maintaining a Quality Policy, deploying a quality management system, and obtaining appropriate product registrations and licensures that follow all applicable government regulations in the countries in which their products are produced and/or distributed.
- IV. **Packaging / Labelling:** Identify product with proper label information, ensuring no misidentification will occur and allowing for complete traceability.

Grievance Mechanism

Third parties are expected to comply with this Code in all activities and ensure their representatives do the same. Any violations of laws or regulations must be reported through internal channels or the designated reporting channel, those involving misconduct by Dr. Reddy's' employees during business interactions. Confidentiality and non-retaliation are guaranteed.



Concerns can be reported through the following channels:



Online:

Visit <https://drreddys.ethicspoint.com>, accessible via the company's website.



Phone:

Call the hotline, available 24/7 in multiple languages. Hotline numbers are listed in the 'Raise a Concern by Phone' section on <https://drreddys.ethicspoint.com>.



Email:

Send an email to complianceofficer@drreddys.com or chiefombudsperson@drreddys.com.



Post/Courier:

Address your letter to: Chief Compliance Officer/Chief Ombudsperson, Dr. Reddy's Laboratories Limited, 8-2-337, Road No. 3, Banjara Hills, Hyderabad – 500034, Telangana, India.



**Good
Health
Can't
Wait.**



ANNEXURE 1

FORM OF ACKNOWLEDGMENT OF RECEIPT OF THIRD-PARTY CODE OF CONDUCT (TP CoC)

We, the undersigned, acknowledge that we have received, read, and understood the Dr. Reddy's Third Party Code of Conduct.

We commit to adhering to the principles and guidelines outlined within the code.

We are dedicated to monitoring our operations to ensure compliance and will encourage any additional third parties that provide goods and services to us to adhere to these commitments.

We agree to allow Dr. Reddy's to conduct audits and assessments to verify our compliance and we will promptly report any violations.

Third Party Name: _____

Authorized Signatory Name: _____

Authorized Signatory Title: _____

Signature: _____

Date: _____