

DR. REDDY'S LABORATORIES LIMITED

Policy on Determination of Materiality

(Effective from December 23, 2014, last amended by the Board of Directors on July 27, 2024)

Policy on Determination of Materiality

1. Purpose and Scope

The Policy on Determination of Materiality is mandated by the provisions of Regulation 30 of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). The Company has to make disclosure of certain events based on the application of the provisions of materiality as mentioned under the SEBI Listing Regulations.

The purpose of this document is to enable Dr. Reddy’s Laboratories Limited and all its subsidiaries (collectively referred as the “Company”) to disclose any material events / information in accordance with the provisions of the SEBI Listing Regulations.

The policy is intended to provide guidance to the Board of Directors, Key Managerial Personnel’s (KMPs) and officers working in the Company, on determination of materiality. The policy lays down responsibility of the Company to make public such events / information which may materially affect its performance and securities prices.

The equity shares of the Company are listed in India on BSE Ltd. and National Stock Exchange of India Ltd. The Company’s American Depositary Shares (ADSs) are listed on the New York Stock Exchange (NYSE) and NSE IFSC Ltd. In view of the same, uniformity in disclosures shall be followed while making disclosures to the said Stock Exchanges.

The policy is framed to identify, categorize, review and disclose to the Stock Exchange(s), the details of event / information which are considered material and may have a bearing on the performance of the Company / materially affect the securities price of the Company.

2. Guidelines for Materiality

Information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information about the reporting entity.

Materiality will be determined on case-to-case basis depending on specific facts and circumstances in relation to the event / information. The determination of materiality is primarily driven by following qualitative and quantitative factors as mentioned under the SEBI Listing Regulations:

- a) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- b) The omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; or
- c) The omission of an event or information, whose value or the expected impact in terms of value, exceeds the materiality threshold as prescribed under Regulation 30 of the SEBI Listing Regulations;
- d) In case where the criteria specified in point (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of the Company, the event or information is considered material.

3. Guidelines on Rumour Verification

The Company shall confirm, deny or clarify, upon the material price movement (MPM) in the securities of the Company, any reported event or information in the mainstream media, which is not

general in nature and indicates that rumours of an impending specific material event or information that is circulating amongst the investing public, within 24 hours from the trigger of MPM. If the Company confirms the reported event or information, it shall also provide the current stage of such event or information.

Mainstream Media will cover the specific news sources that are set out in the Industry Standards Note on verification of market rumours under Regulation 30(11) of SEBI Listing Regulations.

Further, the list of foreign jurisdictions where the Company has material business operations along with a list of English business/ financial news sources from such jurisdictions for tracking rumours published in international media is annexed as **Annexure – 1**.

For the purposes of this clause, foreign jurisdictions with material business operations shall mean jurisdictions where the subsidiaries of the Company have income or net worth exceeding 10% of consolidated income or net worth of the Company and its subsidiaries in the immediately preceding accounting year.

Further, Chief Executive Officer, Chief Financial Officer and Company Secretary, Compliance Officer and Head-CSR are severally authorised to add or remove any foreign jurisdiction, as specified in **Annexure-1**, in accordance with the criteria outlined in the aforementioned clause.

4. Disclosure

The Company shall determine the events which are classified under different categories to be material and / or other events having a bearing on the performance of the Company and on the securities prices of the Company. The same needs to be disclosed to the Stock Exchanges as soon as reasonably possible, within the timelines specified under Regulation 30 read with Schedule III of the SEBI Listing Regulations.

The categories of event / information which is required to be disclosed to the Stock Exchanges shall be as provided in Schedule III of the SEBI Listing Regulations, as may be amended from time to time. The Company shall also make disclosure of material event or information as may be required under the Companies Act, 2013 and SEC/NYSE Guidelines, as applicable to the Company.

Unless otherwise as specified in law, the disclosure shall be made as per the Company's internal & external disclosure processes.

The Board authorises the KMPs to disclose such other events or information that in their wisdom may be necessary, to the Stock Exchange(s).

5. Authority for Determination of Materiality of Events / Information.

The Co-Chairman & Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary, Compliance Officer and Head-CSR are hereby severally authorised to determine whether an event / information in relation to the Company is material or not and about its timeline for disclosure based on the category of information as specified above to the Stock Exchange(s). Such determination would be required to be communicated to the Company Secretary, Compliance Officer and Head-CSR, Head of Corporate Communication and Head of Investor Relations for taking appropriate action.

6. Reporting of Material Event or Information

- a) The members of the Management Council and/or Senior Management Personnel and/or officers of the Company, in terms of the Company's internal and external disclosure processes, are severally authorized and required to identify the event / information that is material in nature, in line with the provisions of the SEBI Listing Regulations and this policy.
- b) Upon identification, the details of such event / information shall be communicated to the authorized Key Managerial Personnel for determination of materiality of event / information and making the necessary disclosures to the Stock Exchange(s).

7. Website Updation and Archival

The Company shall host / upload all disclosures made under the Regulation 30 of the SEBI Listing Regulations to the Stock Exchanges on its website and shall continue to host in the website for a minimum period of five years and thereafter these disclosures may be handled as per Company's Archival process / policy, as applicable.

The Company shall provide future material developments on any event that may have been earlier communicated to the Stock Exchange(s).

8. Authorisation to KMPs to report and clarify any event or information.

The Co-Chairman & Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary, Compliance Officer and Head-CSR, are hereby severally authorised to report and clarify any event or information to the Stock Exchange(s).

9. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Companies Act, 2013 ("Act") or the SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or the SEBI Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the SEBI Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

With respect to determination of materiality and its disclosure to Stock Exchanges, the provisions of this policy shall prevail over other code/policies of the Company.

10. Review of the Policy

This policy shall be subject to review as may be deemed necessary to comply with any statutory modifications.

All the words and expressions used in this Policy, shall have meaning respectively assigned to them under the SEBI Listing Regulations and in the absence of its definition or explanation therein, as per the Act and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time. The disclosures would be made in terms of the provisions of Regulation 30 of the SEBI Listing Regulations.

11. Authority for determination and disclosure of materiality of event or information:

Pursuant to Regulation 30(5) of the SEBI Listing Regulations, the contact details of the persons authorised for determination and disclosure of the materiality of any event or information:

Sr. No.	Name	Designation	Email id	Tel No.
1	Mr. G V Prasad	Co-Chairman & Managing Director	gvprasad@drreddys.com	+91-40 4900 2900
2	Mr. Erez Israeli	Chief Executive Officer	erez@drreddys.com	+91-40 4900 2900
3	Mr. M V Narasimham	Chief Financial Officer	narasimhammv@drreddys.com	+91-40 4900 2900
4	Mr. K Randhir Singh	Company Secretary, Compliance Officer and Head-CSR	kumarrandhirs@drreddys.com	+91-40 4900 2900

Annexure - 1

The foreign jurisdictions having material business operations identified basis the criteria i.e., 'jurisdictions where the subsidiaries of the Company have income or net worth exceeding 10% of consolidated income or net worth of the Company and its subsidiaries in the immediately preceding accounting year' are as follows:

1. United States of America: Wall Street Journal and Financial Times.
2. Switzerland: The Local Switzerland and SwissInfo (English Edition).