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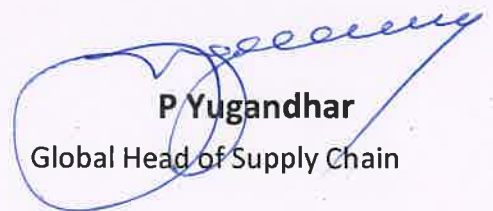


Supplier Code of Conduct

Approved by



Arunabha Raychaudhuri
Head – Global Sourcing &
External Manufacturing



P Yugandhar
Global Head of Supply Chain

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I. INTRODUCTION

At Dr.Reddy's, our aim is to accelerate access to affordable and innovative medicines to patients because Good Health Can't Wait. This Supplier Code of Conduct ("SCOC") defines non-negotiable minimum standards that Dr.Reddy's asks its suppliers / vendors / service providers (hereafter referred to as Supplier(s)), to respect and adhere to when conducting business with Dr.Reddy's.

This SCOC is modelled on and contains language from the Pharmaceutical Industry Principles for Responsible Supply Chain Management (the "Principles").

This SCOC is a part and parcel of the Sustainable Development approach of Dr.Reddy's and its commitment towards its internal Code of Business Conduct and Ethics ("COBE"). The Supplier commits herein to strictly observe and comply with all the fundamental principles expressed in this SCOC in all of its activities and sites. It is the Suppliers responsibility to disseminate, educate and exercise diligence to ensure compliance with this SCOC by its directors, employees, agents and sub-tier suppliers ("Supplier's Representatives"). All Supplier's Representatives are required to report suspected violations of laws, rules, regulations either through internal reporting channels available at their organisations or through designated channel detailed below. This includes reporting misconduct by Dr.Reddy's' employees with whom business interactions are held. Dr.Reddy's' is committed to non- retaliation and will maintain, as appropriate, confidentiality and anonymity with respect to all concerns raised.

Concerns may be raised by:

- a) Accessing <https://drreddys.ethicspoint.com>. The link can be accessed through the company's website.
- b) Calling on the hotline number. List of hotline numbers are available in 'Raise a concern by Phone' section of <https://drreddys.ethicspoint.com>.. The hotline is available 24x7 in multiple languages.
- c) Writing to complianceofficer@drreddys.com or chiefombudsperson@drreddys.com.
- d) By Post/ Courier to:
Chief Compliance Officer/ Chief Ombudsperson,
Dr.Reddy's Laboratories Limited,
8-2-337, Road No. 3, Banjara Hills,
Hyderabad – 5000 034, Telangana, India

II. ETHICS

All Suppliers are expected to conduct their business in an ethical manner and act with integrity. The ethics elements include:

a) Business Integrity

Suppliers shall uphold the highest standards of integrity and transparency in all their transaction and interaction with Dr.Reddy's and must refrain from being involved in any form of corruption, extortion or embezzlement.

b) Insider Trading

Suppliers should never communicate externally about Dr.Reddy's prospects, performance or policies nor disclose inside information which would affect the price of Dr.Reddy's securities unless they are required under any law or by an order from a competent authority. Suppliers are forbidden from making any public posting of confidential or proprietary information related to any aspect of Dr.Reddy's business.

c) Fair Competition

Suppliers shall conduct their business in line with fair competition and in accordance with all applicable anti-trust laws. Suppliers shall employ fair business practises including

accurate and truthful advertisement.

d) Privacy & Intellectual Property

Supplier shall safeguard and ensure protection of data privacy and protection of intellectual property rights of Dr.Reddy's, its directors, employees, agents and business partners.

e) Identification of Concerns

Suppliers shall provide means for Supplier Representatives to report concerns or potentially unlawful activities in relation to any transaction with Dr.Reddy's and its workplace. Any report should be treated in a confidential manner. Suppliers must investigate such reports and take corrective action if needed.

f) Whistle blower Protection and Anonymous Complaints

Suppliers must ensure the protection of whistle blower confidentiality and prohibit retaliation against employees, who participate in such programs in good faith. Suppliers shall provide an anonymous complaint mechanism for its employees to report workplace grievances in accordance with local laws and regulations. Suppliers shall have systems in place enabling anonymous grievance, reporting and management. A designated officer shall continuously monitor the grievance mechanism, keep records on the issues raised and take appropriate action in a confidential manner.

g) Fraud Prevention and Reporting

Suppliers shall implement robust fraud prevention and reporting program. Suppliers are required to report all occurrences of fraud (actual or under investigation) involving Dr.Reddy's business, regardless of materiality, by writing to Dr.Reddy's in the manner as mentioned in Section I above.

h) Conflict of Interest

Dr.Reddy's expects all employees to be free from actual or potential conflict of interest. A conflict of interest occurs whenever the prospect of direct or indirect personal gains may influence or appear to influence your judgement or actions while conducting business with Dr.Reddy's. The Supplier should report to Dr.Reddy's any situation that may appear as a conflict of interest.

i) Acceptance of Entertainment and gifts

Dr.Reddy's employees should never accept or offer gifts, favour's, services, entertainment, money or other items of value that are intended to influence judgment or actions of its suppliers. Suppliers are expected not to offer any kind of gifts or any other kind of personal benefit to Dr.Reddy's employees resulting from the relationships with the Suppliers. The Supplier is committed to work against all forms of corruption, money, gifts, loans and rebates of unreasonable value which are in non-compliance with all applicable laws, rules and regulations

j) Animal Welfare

Animals shall be treated humanely with pain and stress minimized. Animal testing should be performed after consideration to replace animals, to reduce the numbers of animals used, or to refine procedures to minimize distress. Alternatives should be used wherever these are scientifically valid and acceptable to regulators.

III. LABOR AND HUMAN RIGHTS

Suppliers are expected to protect the human rights of their employees and to treat them with dignity and respect. The labour and human rights elements include:

a) Child Labour and Young Workers

Suppliers shall not use child labour. The employment of young workers below the age of 18 shall only occur in non-hazardous work and when young workers are above a country's legal age for employment or the age established for completing compulsory education. Suppliers shall provide the necessary and appropriate direct assistance for the removal of children from the worst forms of child labour and for their rehabilitation and social integration.

b) Forced Labour

Suppliers shall prohibit all forms of forced or compulsory labour. All work must be voluntary and workers shall be free to leave work or terminate their employment with reasonable notice. Workers must not be required to surrender any government-issued identification, passports, or work permits as a condition of employment. Suppliers shall ensure that contracts for both direct and contract workers clearly convey the conditions of employment in a language understood by the worker.

c) Non discrimination

Suppliers shall not, discriminate or make distinction, exclude or give preference on the basis of race, colour, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, or marital status, in hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments.

d) Termination of Employment

Suppliers shall not terminate the employment of a worker unless there is a valid reason for such termination connected with the worker's capacity or conduct or based on the operational requirements of the undertaking, establishment or service.

e) Fair Treatment

Suppliers must be committed to a workplace free of harassment and should not threaten workers with or subject them to harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion, verbal abuse or unreasonable restrictions on entering or exiting company provided facilities.

f) Employment Policy

Suppliers are expected to declare and pursue an active policy designed to promote full, productive and freely chosen employment which also ensure that there is work for all who are available for and are seeking work; that such work is as productive as possible; and that there is freedom of choice of employment and the fullest possible opportunity for each worker to qualify for, and to use his or her skills and endowments in, a job for which he or she is well suited, irrespective of race, color, sex, religion, political opinion, national extraction or social origin.

g) Freedom to express oneself

Suppliers must respect the right of workers to associate freely, form and join workers organizations of their own choosing, seek representation, and bargain collectively, as permitted by and in accordance with applicable laws and regulations. Suppliers shall not discriminate with respect to employment based on union membership and, in particular, shall not make employment subject to the condition that the worker relinquish union membership or cause of dismissal for not joining in the union.

IV. WAGES AND BENEFITS

Suppliers should ensure that they pay workers according to the applicable wage laws, including minimum wages, overtime hours and mandated benefits.

Suppliers shall:

Ensure payment of at least the minimum wage to all workers, as required by applicable laws and regulations and provide all legally mandated benefits. Periodically review and adjust minimum wage rates as per applicable laws.

- Ensure compliance with principle of equal remuneration for men and women workers for work of equal value.
- Communicate with the workers basis on which they are being compensated in a timely manner and also about the overtime requirements and the wages to be paid for such overtime.
- Ensure that the workers are duly notified of the method used to calculate wages. Wages are

paid in regular intervals and with reasonable frequency through cash, by check or by bank transfer, to the exclusion of any other form of compensation, except in the specific cases. Deductions from wages for disciplinary reasons are prohibited.

V. HEALTH AND SAFETY

The Supplier shall ensure a safe and healthy working environment for all employees working at their sites. The Supplier are expected to develop a Health and Safety (HS) organization to define, implement and follow-up on an HS policy and HS Management System that includes compliance with the applicable local and national regulations. The health and safety elements include:

Workers Health and safety protection

Suppliers shall identify and protect workers from any physical, chemical and biological hazards in the workplace as well as from risks associated with any infrastructures used by their employees. Safety information for any identified workplace risks shall be made available to inform and train workers to protect them from the risk. This includes safety information about hazardous substances used: chemicals, pharmaceuticals active ingredients, intermediate products, etc.

Protection from hazardous materials

Suppliers should adopt and implement a coherent policy on safety in the use of chemicals at work, which includes the production, the handling, the storage, and the transport of chemicals as well as the disposal and treatment of waste chemicals, the release of chemicals resulting from work activities, and the maintenance, repair and cleaning of equipment and containers of chemicals. In addition, it should allocate specific responsibilities to suppliers and exporting states. Safety information relating to hazardous materials – including pharmaceutical compounds and pharmaceuticals intermediate materials – shall be available to educate, train, and protect workers from hazards.

Response to Emergency

Supplier's shall identify and assess possible emergency situations in the workplace and minimize their impact inside and/ or outside the site by implementing emergency response plans and procedures. Suppliers will identify and assess likely and potential emergency situations in the workplace and minimize their impact by implementing emergency plans and response procedures.

Process Safety

Suppliers will have safety programs in place for managing and maintaining all their production processes in accordance with the applicable safety standards. Suppliers will address product-related issues and their potential impact during all stages of the production process. For hazardous installations the supplier will conduct specific risk analyses and implement measures that prevent the occurrence of incidences such as chemical releases and or explosions.

Social Security

Suppliers must lay down a minimum standard for the level of social security benefits and the conditions under which they are granted. It covers the nine principal branches of social security, namely medical care, sickness, unemployment, old age, employment injury, family, maternity, invalidity and survivors' benefits.

VI. ENVIRONMENT

Suppliers should comply with all applicable environmental regulations and obtain and maintain all required environmental permits, licenses, information registrations and should follow their operational and reporting requirements. The environmental elements include:

Waste and Emissions

Suppliers should have systems in place to ensure the safe handling, movement, storage, recycling, reuse, or management of waste, air emissions and wastewater discharges. Any of

these activities which have the potential to adversely impact human or environmental health will be appropriately managed, measured, controlled and treated prior to release of any substance into the environment. Suppliers will have systems in place to prevent or mitigate accidental spills and releases into the environment.

Resource Conservation and Climate Protection

Suppliers are expected to use natural resources (e.g. water, sources of energy, raw materials) in an economical way. Negative impacts on the environment and climate will be minimized or eliminated at their source or by practices such as the modification of production, maintenance and facility processes, material substitution, conservation, recycling and material reutilization. Suppliers will engage in the development of climate-friendly products and processes to reduce power consumption and greenhouse gas emissions.

Compliance with legal and regulatory requirements

The Supplier shall ensure compliance with the regulations and recommendations relating to environmental protection applicable in the countries where it carries out its activities. The Supplier should obtain and maintain appropriate certificates and/or permits allowing it to operate and prepare reports in accordance with applicable regulations and should be available at the sites

VII. MANAGEMENT SYSTEMS

Suppliers must adopt or establish a management system designed to ensure compliance with applicable laws and regulations, identify and mitigate related operational risks, and facilitate continuous improvement with the expectations of these principles. The management system elements include:

Risk Management

Suppliers are expected to implement mechanisms to identify, determine and manage risks in all areas addressed by this SCOC and as per the applicable laws, regulations and standards. .

Documentation

Suppliers are expected to develop adequate documentation to demonstrate that they share the principles and values expressed in this SCOC. This documentation may be reviewed by Dr.Reddy's from time to time.

Training and Competency

Suppliers will establish appropriate training measures to allow their managers and employees to gain an appropriate level of knowledge and understanding of this SCOC, the applicable laws and regulations and generally recognized standards.

Audits and Assessments

Dr.Reddy's personnel may visit (and/or engage an external monitor to visit) Supplier's facilities, with or without notice, to assess compliance with this SCOC and to audit Supplier's wage, hour, payroll, and other worker records and practices.

Communication

A process for communicating clear and accurate information about the Supplier's performance, practices, and expectations to its workers, Suppliers, and customers is to be followed as a regular practice.

Commitment and Accountability

Suppliers shall demonstrate commitment to the concepts described in this document by allocating appropriate resources, if required.

VIII. BRIBERY AND CORRUPTION

The Suppliers shall not make any payment, gift or other commitment to employees of

-Dr.Reddy's or to government officials or otherwise in a manner contrary to applicable laws, policies or standards of conduct in relation to performance of its obligation towards Dr.Reddy's under any contract or otherwise. Nothing in this SCOC shall render Dr.Reddy's liable to reimburse the Suppliers or Supplier's Representatives for any such consideration given or promised or for any consequences arising out of such action.

IX. INTERNATIONAL TRADE COMPLIANCES AND SANCTIONS

Many laws govern trade across borders, including laws that are designed to ensure that transactions are not being used for money laundering, laws that prohibit companies from illegal trade boycotts, as well as "Sanction Laws" i.e., laws regulating/ restricting imports and exports with relation to certain individuals and / or entities who are residents or operate on the territory of certain countries categorized as "Sanctioned Countries" (by certain countries/ international organizations), the list of which changes/ gets supplemented from time to time.

Dr.Reddy's honour the trade, import and export control laws of all countries in which it operates and comply with all applicable laws, rules and regulations and the Suppliers are also expected to do the same. Trade requirements often change and laws in certain region may conflict. Suppliers are responsible for knowing the laws that apply to them and seek expert advice if in doubt.

In this context, the Supplier shall:

- (a) Disclose (voluntarily or upon being asked) to Dr.Reddy's whether or not it is or has been (directly or indirectly) subject to any Sanction Laws;
- (b) Notify immediately to Dr.Reddy's in the event any Sanction Laws gets imposed on it (directly or indirectly) at any future point of time;
- (c) Provide correct and reliable information regarding their legal owners, actual owners (who directly or indirectly control the Supplier), members of Board of Directors or Senior Management, details of servicing Bank and immediately notify in writing of any subsequent changes in such information provided;
- (d) Not directly or indirectly make any payments or provide other benefits or engage in any business transaction with any third party to whom the Sanction Laws are applicable;
- (e) Maintain appropriate import, export and customs records at each of its business locations;
- (f) Obtain all necessary licenses before the export or re-export of products, services or technology;
- (g) Not cooperate with any restrictive trade practices or boycott that is prohibited or penalized under applicable laws

X. PERSONAL DATA PROTECTION

Dr.Reddy's may transfer personal data of its employees, directors or other persons ("Personal Data Subjects") during its normal course of business with its suppliers. With respect to such personal data, the Supplier shall:

- Be aware of and comply with the applicable laws with respect to personal data confidentiality and protection;
- Guarantee that such personal data shall be processed, stored and transferred in accordance with the requirements under the applicable laws;
- Obtain consent from and notify the rights to the Personal Data Subjects, prior to transfer of such personal data to any third party for the purpose of storing and processing;
- Ensure that such personal data is transferred and processed only for the purpose for which the Personal Data Subjects have given their consent;
- Indemnify Dr.Reddy's/ Personal Data Subjects, against any claim, loss and damages arising out of the breach of any applicable laws with the respect to such personal data;
- Ensure protection of such personal data through organizational or technical means from unauthorized access or processing.