



Dr. Reddy's Laboratories Ltd.
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June 30, 2026

National Stock Exchange of India Ltd. (Scrip Code: DRREDDY)
BSE Limited (Scrip Code: 500124)
New York Stock Exchange Inc. (Stock Code: RDY)
NSE IFSC Ltd. (Stock Code: DRREDDY)

Dear Sir/ Madam,

Sub: Integrated Annual Report for the FY 2025-26

In compliance with the provisions of the Companies Act, 2013 (“Act”), the rules made thereunder, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, please find enclosed the Integrated Annual Report, Business Responsibility and Sustainability Report (“BRSR”) and the Notice of the 42nd Annual General Meeting (“AGM”) for the financial year 2025-26.

Pursuant to the provisions of Regulation 34(1) of the SEBI Listing Regulations, the Integrated Annual Report of the Company for the FY 2025-26 is being sent through electronic mode to the Members, who have registered their e-mail addresses with the Company/Registrar and Transfer Agent/ Depositories.

In addition, pursuant to Regulation 36(1)(b) of the SEBI Listing Regulations, a letter is also being sent to the Members whose email addresses are not registered, providing the web-link where the Annual Report is uploaded on website.

The Integrated Annual Report FY 2025-26 is also available on the Company’s website and can be accessed at the following link:

[Integrated Annual Report FY 2025-26](#)

This is for your information and records.

Thanking you.

Yours faithfully,
For **Dr. Reddy’s Laboratories Limited**

Kumar
Randhir Singh

Digitally signed by
Kumar Randhir Singh
Date: 2026.06.30
18:50:41 +05'30'

K Randhir Singh
Company Secretary, Compliance Officer and Head-CSR



Integrated Annual Report FY **2025-26**

Strengthening the **Core**. Building the **Future**.



Good Health Can't Wait.

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Who we are

Dr. Reddy's Laboratories Limited (Dr. Reddy's) is a global pharmaceutical company headquartered in Hyderabad, India. Steered by our purpose of Good Health Can't Wait, we strive to broaden access to affordable and innovative medicines. Our portfolio includes APIs, generic formulations including biosimilars, OTC products, innovative products, and custom pharmaceutical services, with a strong focus on key therapeutic areas like Oncology, Central Nervous System, Pain Management, Gastro-Intestinal, Cardiovascular. We serve several major markets including the USA, India, Russia & CIS, China, Brazil, and Europe.



Our Purpose

We accelerate access to affordable and innovative medicines because Good Health Can't Wait.



Our Promises

Bringing

Expensive medicines within reach

Addressing

Unmet patient needs

Helping

Patients manage disease better

Enabling

Our partners to ensure our medicines are available where needed

Working

With partners to help them succeed



Our Principles

Empathy

We deeply comprehend the needs of our patients and partners, setting us apart from others

Dynamism

We tackle challenges that few others can, doing so with speed and adaptability



Our Values

Guided by our commitment to delivering affordable and innovative medicines for healthier lives, we foster a culture of innovation and learning, while consistently striving for higher standards of excellence.

Integrity and transparency

We maintain the highest standards of honesty and openness in all our dealings.

Productivity

We aim to accomplish more with fewer resources by embracing innovation, continuous improvement, and a strong emphasis on reducing waste.



Our Leadership Behaviours

Aspire for market leadership

Lead the way as a pioneer, taking every step needed to be first to market with cost-leadership and strive for a commanding market share in key markets.

Choose speed and depth everyday

Act on decisions swiftly by weighing the risks and rewards. Progress with urgency while maintaining a thorough understanding.

Unleash the potential in people

Inspire the best in those around you. Support them in achieving their full potential.

Innovate to create value

Seek out new solutions that make a meaningful difference in the lives of patients and address the needs of customers.

Be accountable for end results

Take ownership from start to finish, and be responsible for the outcomes delivered to patients, customers, and the organisation.

Excellence in execution

Champion continuous improvement and strive for excellence in execution to achieve superior outcomes.





Message from
Chairman and
Co-Chairman & MD

Dear Shareholders,

The year was marked by a challenging external environment, with geopolitical uncertainties, rising protectionism, and evolving global trade dynamics. Despite this, our businesses demonstrated resilience, supported by disciplined execution and a continued focus on strengthening our core operations.

Performance Overview

For FY2026, we delivered revenue growth of 3.2% with an EBITDA margin of 22.8%, influenced by the expected decline in lenalidomide revenues in the United States and certain one-off items, including inventory adjustments, provisions, and impairment charges.

Excluding these items, revenue growth stood at 4.6%, with an EBITDA margin of 24.7%, reflecting the underlying strength of our base business.

Our India finished dosage business recorded robust growth of 16%, ahead of market growth, driven by new launches and strong performance across chronic, specialty, and vaccine portfolios. In Europe and Emerging Markets, we delivered double-digit growth, supported by new product introductions and continued demand momentum.

In contrast, our API and North America generics businesses faced increased competitive intensity. Our biologics

business is at an inflection point, and we are taking focused steps to scale it into a meaningful growth driver.

Strategic Priorities and Execution

Our strategy remains anchored on three priorities:

- Strengthening core generics and API businesses through differentiated launches, targeted R&D, and supply chain reliability
- Expanding stable value pools through our consumer health portfolio
- Building innovation-led growth platforms through selective partnerships and licensing

We continued to improve cost structures, enhance productivity through operational excellence and digitalisation, and invest in capabilities across R&D, manufacturing, and commercial execution.

Advancing Portfolio and Partnerships

We made significant progress in expanding our portfolio and strengthening partnerships.

The integration of our consumer healthcare (NRT) portfolio is now largely complete, extending our presence to over 30 countries and contributing to profitability.

In biosimilars, we strengthened execution through organisational changes and talent induction.



India formulations business grew 16%, outperforming market growth through strong execution across chronic, specialty, and vaccine portfolios.

K Satish Reddy
Chairman

While there remains work to be done, we are building a focused pathway to scale this business through key assets and partnerships.

During the year, we advanced several important assets and launches:

- Toripalimab (Zytorvi®) for nasopharyngeal carcinoma has received strong acceptance from oncologists in India
- Generic semaglutide injectable was approved and launched in India, and approved in Canada, expanding access in metabolic health

We will continue to strengthen our base business while building future growth drivers across peptides, biosimilars, consumer healthcare, and innovation-led therapies.

G V Prasad
Co-Chairman and Managing Director



several promising candidates in the pre-clinical stage. We remain committed to building a differentiated global oncology business through a combination of internal innovation and partnerships.

In APIs and services, competitive pressures persist as customers increasingly move towards backward integration. In response, we are sharpening our focus on value through differentiated offerings and expanding our Contract Development and Manufacturing Organisation (CDMO) capabilities via Aurigene Pharmaceutical Services Ltd (APSL) to drive sustainable growth.

Public Health Commitment

Our efforts to advance access to affordable healthcare continue to expand. We are working with Gilead and the Clinton Health Access Initiative (CHAI) to improve access to lenacapavir for HIV prevention in low- and middle-income countries. Our partnership with GARDP on zoliflodacin addresses the urgent need for novel treatments for drug-resistant gonorrhoea.

In addition, we are progressing initiatives in women's health, including long-acting contraceptives and nutritional supplementation programmes aimed at addressing micronutrient deficiencies.

Sustainability

We continued to make steady progress on our sustainability agenda. Our transition towards renewable energy sources across operations has strengthened, and we maintained water positivity across our sites. Our EcoVadis score improved from 73 to 80, earning a Gold rating and placing us among the top 5% globally.

Looking Ahead

As we enter FY2027, our priorities are clear. We will continue to strengthen our base business while building future growth drivers across peptides, biosimilars, consumer healthcare, and innovation-led therapies.

Our focus remains on consistent execution, disciplined capital allocation, and improving the quality and sustainability of our performance. Based on the progress made, we are confident in our ability to deliver stronger and more consistent outcomes over the medium term.

We thank our Board for their guidance, our employees for their dedication, and our shareholders for their continued trust and support.

K Satish Reddy
Chairman

G V Prasad
Co-Chairman and Managing Director

Our Global Presence

Through our capabilities in research & development, manufacturing, and sales & marketing operations around the world, and employees representing 64 nationalities, we are able to serve patients in 88 countries.

US\$ 3.6 Bn

Revenue

22.8%

EBITDA

27,527

Employees Globally

212

Dossiers Filed, including

15 ANDAs

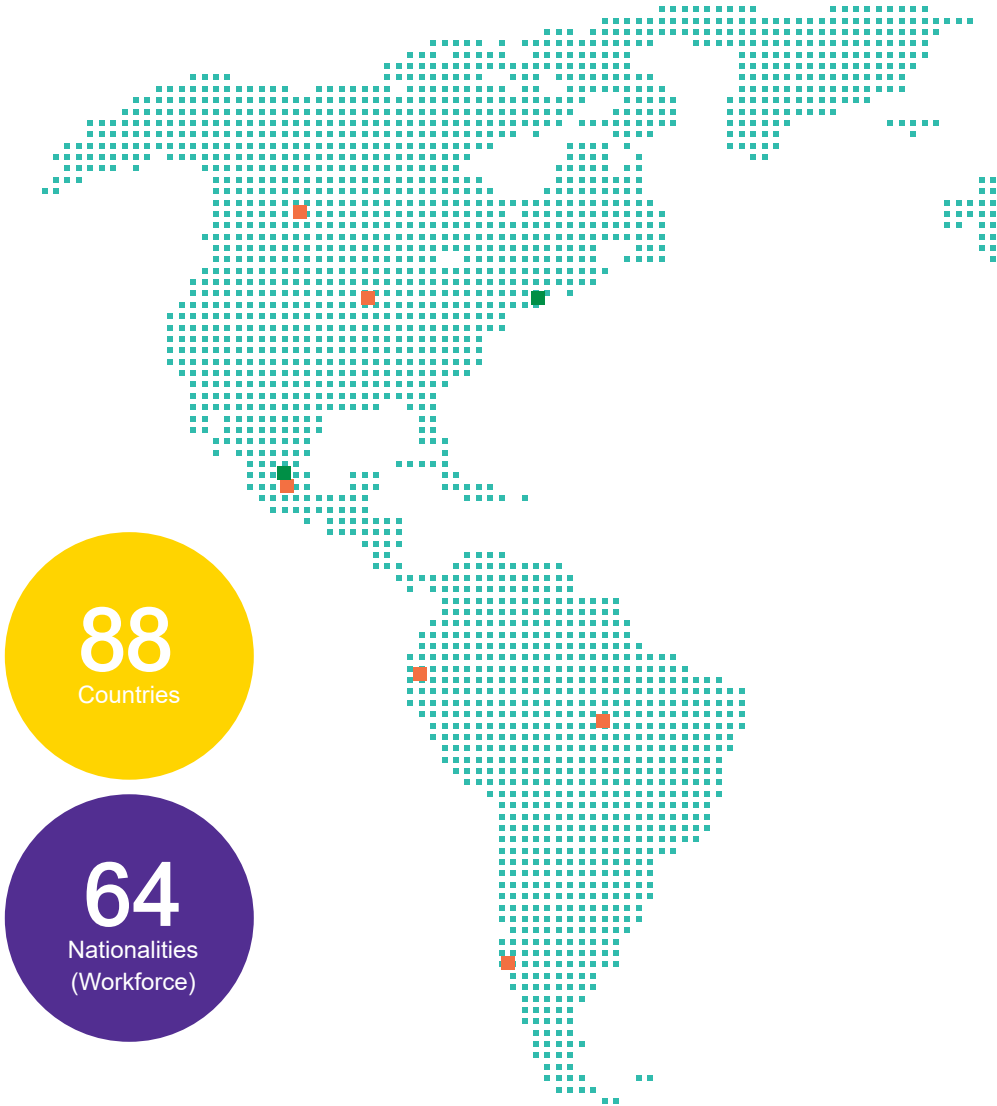
347 Cumulative ANDAs

128

DMFs Filed, including

16 DMFs in the U.S.

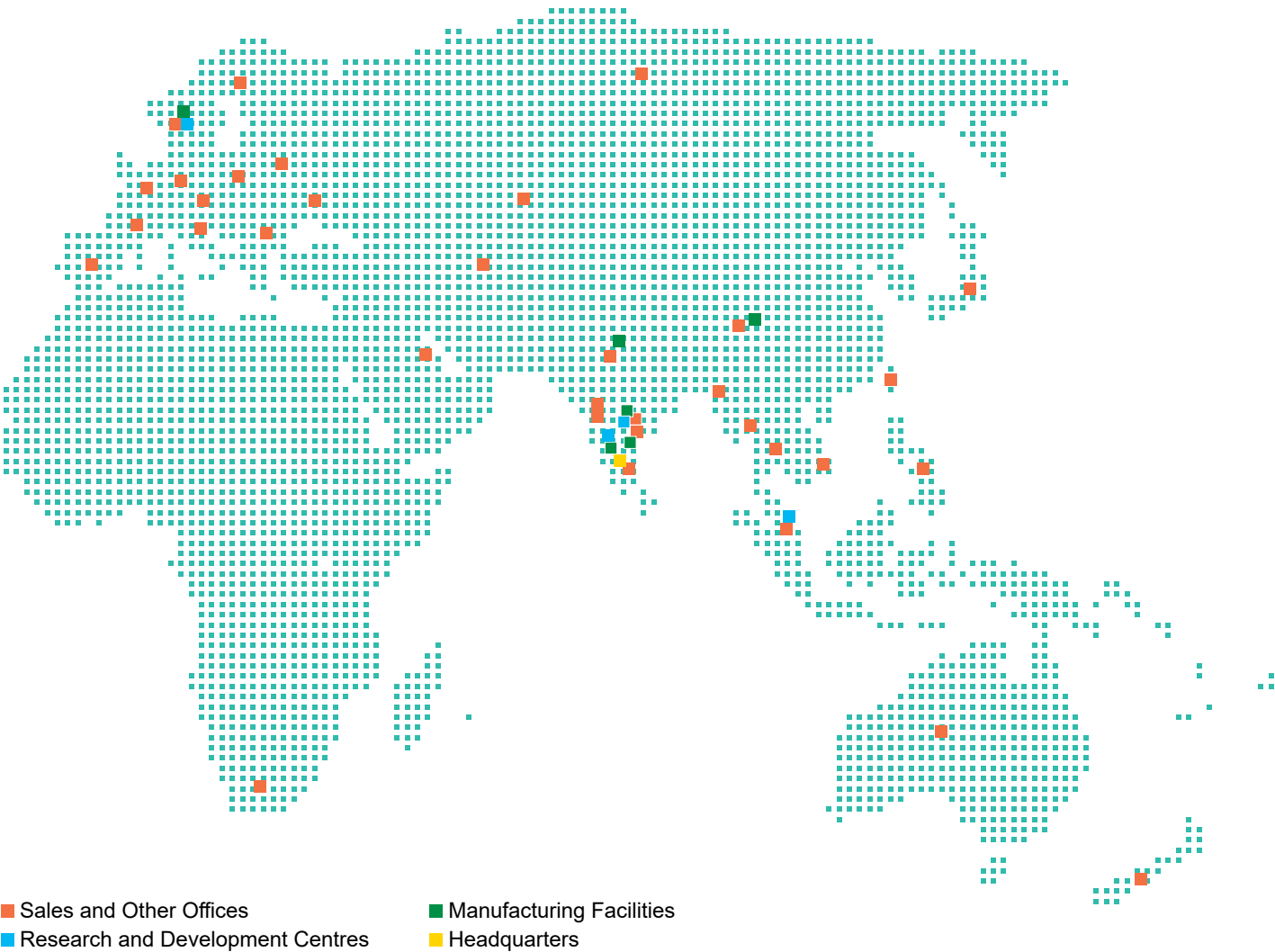
1,748 cumulative global DMFs including 280 in the U.S.



As of March 31, 2026, 75 ANDAs and 2 NDAs are pending approval with US FDA. Of these, 44 are Para IVs and we believe 22 have 'First-to-File' status.



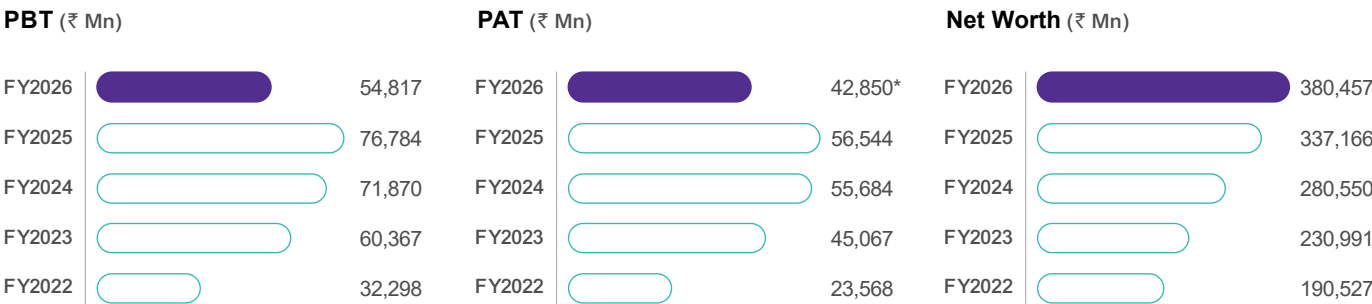
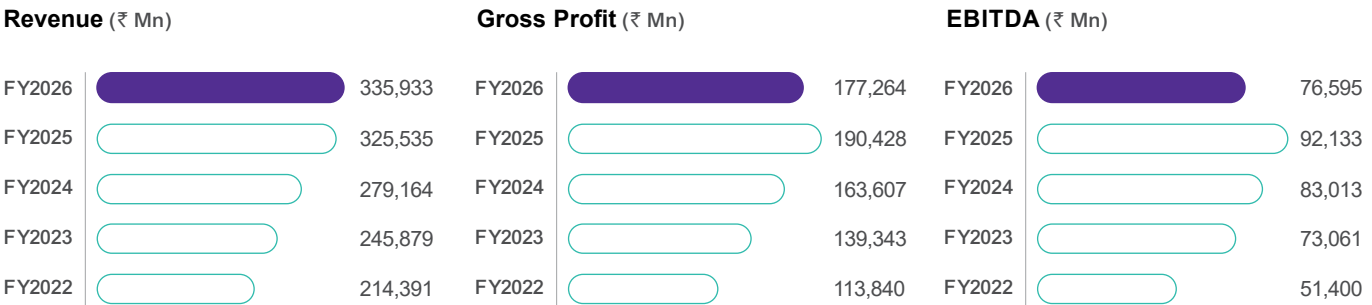
*Excludes products launched through Nestlé in our nutrition venture.



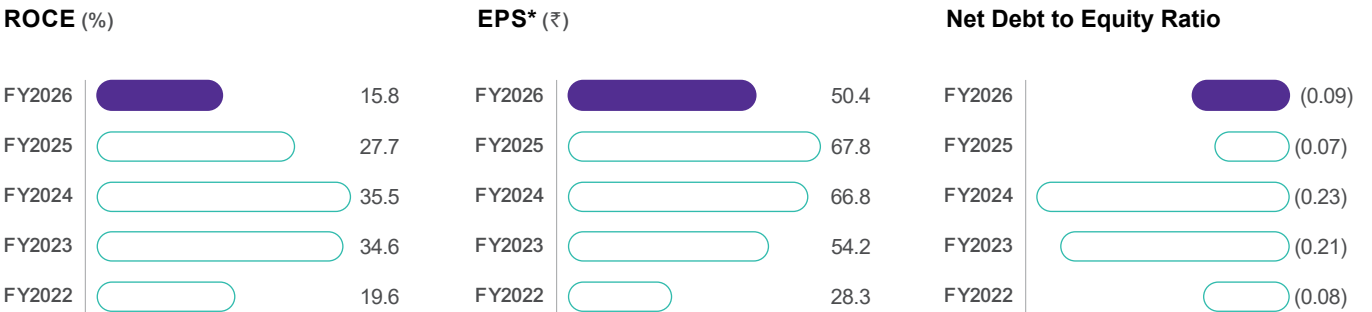
Note: The map is not to scale and is an artistic representation. All information as of FY2026

Key Performance Indicators

Key Financial Performance Indicators



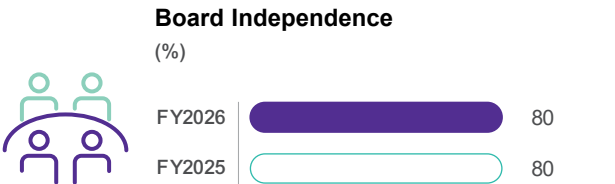
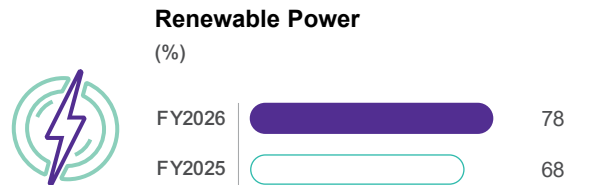
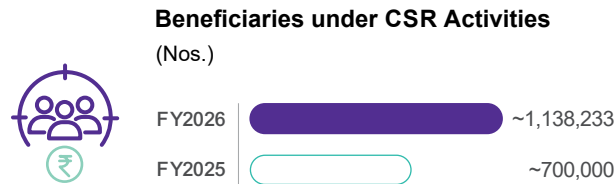
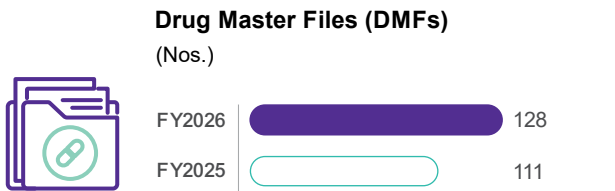
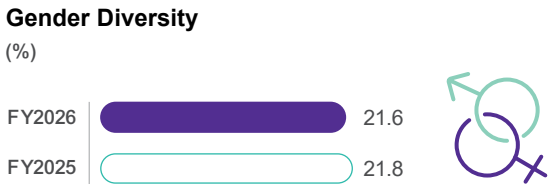
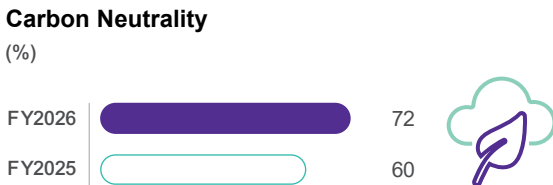
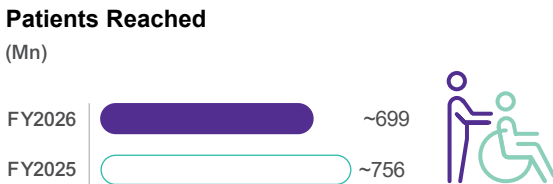
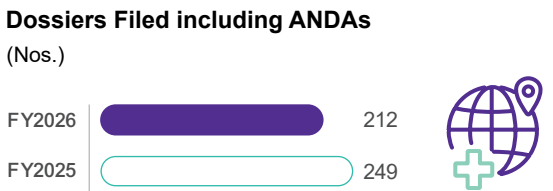
*Attributable to Equity Holders



*Historical numbers re-casted basis the increased number of shares post share split



Key Non-Financial Performance Indicators





Board of Directors



K Satish Reddy
Chairman
M M C



G V Prasad
Co-Chairman and Managing Director
M M M



Penny Wan
Independent Director
M M



Arun M Kumar
Independent Director
C M



Leo Puri
Lead Independent Director
M M C



Shikha Sharma
Independent Director
M C



Dr. Claudio Albrecht
Independent Director
M C



Dr. Alpna Seth
Independent Director
M M



Dr. K P Krishnan
Independent Director
C M M

- Audit Committee (AC)
- Stakeholders Relationship Committee (SRC)
- Nomination, Governance and Compensation Committee (NGCC)
- Sustainability and CSR Committee (SCSRC)
- Risk Management Committee (RMC)
- Science, Technology and Operations Committee (STOC)
- Banking, Authorisations and Allotment Committee (BAAC)



Sanjiv Mehta
Independent Director
C M M

- Audit Committee (AC)
- Stakeholders Relationship Committee (SRC)
- Nomination, Governance and Compensation Committee (NGCC)
- Sustainability and Corporate Social Responsibility Committee (SCSRC)
- Risk Management Committee (RMC)
- Science, Technology and Operations Committee (STOC)
- Banking, Authorisations and Allotment Committee (BAAC)



Management Council



K Satish Reddy
Chairman



G V Prasad
Co-Chairman and Managing Director



Erez Israeli
Chief Executive Officer



M V Narasimham
Chief Financial Officer



M V Ramana
Chief Executive Officer, Global Generics



Sanjay Sharma
Chief Operating Officer



Krishna Venkatesh
Global Head of IPDO



Milan Kalawadia
Chief Executive Officer, North America



Deepak Sapra
Chief Executive Officer, API and Services



Phanimitra B
Chief Digital and Information Officer



Patrick Aghanian
Head - Consumer Health Organisation



Sandeep Khandelwal
Global Generics India Head



M S Madhu Sundar
Global Head - Quality and PV

Approach to Reporting

The Integrated Report for FY2026 offers a comprehensive perspective on our achievements spanning financial, operational, and sustainability metrics. It demonstrates our advancement in generating sustainable long-term value and integration of environmental, social, and governance (ESG) considerations into our business.

Scope and Coverage of Reporting

This Report encompasses our worldwide business activities, covering research and development, manufacturing, supply chain operations, and marketing functions. The document incorporates Statutory Reports and Audited Financial Statements spanning April 1, 2025, through March 31, 2026, except where otherwise indicated. Environmental and social performance metrics for joint ventures and associate companies that are not consolidated within our financial statements including Kunshan Rotam Reddy Pharmaceutical Co. Limited (China), DRES Energy Private Limited (India), and O2 Renewable Energy IX Private Limited – are not included in this reporting scope.

Our scope of non-financial reporting covers 100% of our consolidated revenues.

To enhance our ESG transparency, we produce two complementary publications: the Sustainability Data Book, containing additional pertinent and significant sustainability data, and the ESG Reporting Criteria, which provides definitions and calculation methods for essential sustainability metrics.

Any restatement related to non-financial disclosures are called out in the respective sections of the report and methodology changes are explained in the reporting criteria document.¹

¹ GRI 2-4

Assurance Methodology

We employ an integrated assurance framework to assess and confirm the accuracy of financial, operational, and sustainability information contained within this Report. The Board has authorised the selection of assurance providers for both financial and non-financial data.

Independent Statutory Auditors M/s S. R. Batliboi & Associates LLP have conducted the audit of our annual financial statements. For sustainability-related information, we have engaged DNV Business Assurance India Private Limited (DNV) as our independent third-party assurance provider.

BRSR Core metrics have received reasonable assurance methodology, while comprehensive sustainability information has been subject to limited assurance procedures following the International Standard on Assurance Engagements (ISAE) 3000 framework and DNV's VeriSustain™ protocol V6.0 approach.

Responsibility Statement

Our Management has conducted a thorough review of this Integrated Annual Report and has given formal approval for its publication.



International Integrated Reporting (<IR>) framework by the International Integrated Reporting Council (now part of IFRS Foundation)

SASB Sustainability Standards for Biotechnology & Pharmaceuticals

IFRS Sustainability-related Financial Disclosures S1 & S2

Art.964b of the Swiss Code Obligations

Securities and Exchange Board of India (SEBI) Circulars which outline the format for the Business Responsibility and Sustainability Report (BRSR Core & Comprehensive)

Global Reporting Initiative (GRI) Universal Standards 2021

National Guidelines on Responsible Business Conduct, 2019 (NGRBC) of the Ministry of Corporate Affairs, Government of India

United Nations Sustainable Development Goals (UN SDGs)

Ten Principles of the UN Global Compact (UNGC)



Our Strategy Pillars

Our purpose of "Good Health Can't Wait" directs every initiative we undertake, while our core values of empathy and dynamism empower us to thrive in a challenging market environment. Our three foundational strategic pillars ensure that patient requirements remain our primary focus.



Leadership in Chosen Spaces

Our mission to expedite access to cost-effective and innovative medications drives us forward, as Good Health Can't Wait. We aim to boost the introduction of first-to-market products, solution to complex products and distinctive offerings, improve access to cutting-edge treatments, and expand our market reach through innovative distribution strategies. These efforts allow us to establish and sustain leading positions across various therapeutic areas and product categories within our operating markets.

Our portfolio encompasses prescription generic medications including biosimilars, innovative drugs, over-the-counter pharmaceutical products and Active Pharmaceutical Ingredients (API).

Our primary therapeutic specialisations include Oncology, Central Nervous System, Pain Management, Gastro-Intestinal, Cardiovascular, Respiratory, Anti-Infectives and Diabetology.

We deliver customer value through competitive pricing strategies, vertical integration, dependable customer support, and a strong regulatory compliance history.





Our chosen spaces - our core business

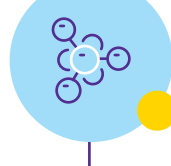
Global Generics



Branded generics
We strive to build a collection of trusted brand names, pioneer market entries, and provide distinctive therapeutic solutions to healthcare professionals and patients. Several of our brand products maintain substantial market leadership within their respective molecular and therapeutic segments.

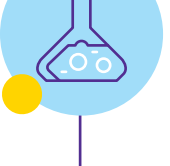


Unbranded generics
We focus on maintaining strong development competencies that allow us to introduce first to market products that are cost-effective, complex to produce, and incorporate advanced technology.



Biosimilars
Our goal is to enhance global accessibility to biosimilar treatments through a combination of in-house development and strategic partnerships. After successfully introducing numerous biosimilar products in India and other developing markets, we are gradually expanding operations into stringently regulated territories.

Pharmaceutical services and active ingredients ("PSAI")



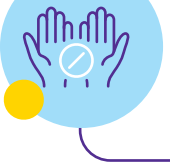
API business
We focus on developing complex products and facilitating market launches ahead of competitors while maintaining competitive pricing.



Pharmaceutical services business
We provide specialized expertise and technological solutions at cost-effective pricing structures to pharmaceutical innovators and biotechnology firms.



Consumer health business
We continue strengthening our consumer health portfolio addressing diverse wellness requirements spanning nutritional support, hydration solutions, allergy management, pain relief, and women's health needs.



Innovative Medicines
We aspire to improve the lives of patients by ensuring access to quality cancer medicines through accelerated innovation and strong partnerships.

Our digital transformation, including Manufacturing Execution System (MES), Artificial Intelligence / Machine Learning (AI/ML) analytics, and SAP integration, enables real-time decision-making, while Factory of the Future initiatives position us as a leader in smart pharmaceutical manufacturing. These efforts have delivered meaningful improvements in productivity, cost efficiency, and asset utilisation across our Oral Solid Dosage (OSD), API, and injectables facilities. Our Total Performance Management (TPM) programmes have substantially reduced equipment breakdowns, strengthening operational reliability.

Operational Excellence and Continuous Improvement

We have embedded Operational Excellence as a foundational pillar of our business strategy. Our approach combines the Strategic Deployment Process for breakthrough innovation with Lean Daily Management for continuous improvement, aligning strategic goals with daily execution. Through our Autonomous Way of Working philosophy, frontline employees drive accountability and ownership. We have trained over 4,000 employees and delivered more than 5,000 improvement projects annually through Lean and continuous improvement initiatives.

We have trained over **4,000 employees** and delivered more than **5,000 improvement projects annually** through Lean and continuous improvements.

Our Quality Management Maturity (QMM) Programme, established across **16 high-impact areas**, has reduced quality incidents, human errors, and invalid Out of Specification (OOS) occurrences.

We have improved forecast accuracy, enhanced OTIF performance to 95%+, and have ensured responsiveness to market demands.

Our Quality Management Maturity (QMM) Programme, established across 16 high-impact areas, has reduced quality incidents, human errors, and invalid Out of Specification (OOS) occurrences. Leveraging statistical techniques, machine learning, and Quality by Design/Design of Experiments (QBD/DOE) capabilities, we are driving product robustness with early success in API and Sterile products, ensuring Right First-Time quality.

Driving Excellence across Enterprise

Operational excellence is the way we run the Company every day. It connects strategy with the shop floor, blends lean practices with digital and automation, and gives our teams a common playbook. The outcome is visible in stronger service, higher right first time quality, lower cost, and faster cycle times across APIs, Injectables, Biosimilars, and OSD facilities. Better processes and smarter technology are turning discipline into results that matter for investors, customers, and patients.

Our API operations have increased capacities through batch size scale up and process simplification, freeing 0.5 mn effort hours.

We are retiring conventional centrifuges and tray dryers and moving to closed loop Agitated Thin Film Dryer (ATFD) systems and spray drying, reducing solvent waste and operator exposure. Sustainability progress includes lower groundwater withdrawal, higher solvent recovery, cleaner energy etc.

APIs

0.5 mn Hours Freed Through Process Excellence

Closed-Loop Manufacturing Driving Safer & Greener Operations

Our injectables plants run large batch commodity generics and complex products with equal reliability. Processes and digital improvements reduced cycle times and accelerated batch release timelines. Enhanced use of data and automation has also improved operation control and decision-making.

Injectables

Every order delivered on time and in full, achieving zero lost opportunity cost across global markets.

AI-driven manufacturing compressed cycle times and reduced batch release timelines.

Our biologics business has evolved into a fully integrated organisation with end-to-end capabilities across development, manufacturing, and commercialisation in oncology and immunology. Manufacturing capacity is scaling across both drug substance and drug product and continuing to focus on reliable supply, regulatory-readiness and right first time quality.

Biosimilars

A fully integrated biologics platform spanning development, manufacturing and commercialisation.

Rapid capacity expansion supported by new facilities while maintaining right-first-time quality and regulatory-readiness.

Our OSD operations continues to improve efficiency through better use of technology and closer integration between R&D and manufacturing. These efforts have helped in increasing output without additional capital investment. From a digital twin scheduler that enables zero-touch planning, to a Smart Investigator that speeds up root cause analysis, to monthly models that lift process robustness and asset productivity, we are leveraging AI.

We are advancing toward zero-touch manufacturing, with corridors where lines run reliably with minimal human presence, improving quality, employee experience, and energy efficiency. Our Self-Managed Team programme, now in its 24th year, trains and empowers talent from weaker socio-economic backgrounds to run operations independently, strengthening both performance and inclusion.

Oral Solid Dosage (OSD)

One of our OSD facility is recognised as a World Economic Forum Digital Lighthouse

All seven OSD plants are digitally-native, with approximately 40 homegrown digital use cases

Dr. Reddy's Management System - One Integrated System for Sustainable Excellence

As Dr. Reddy's continues to evolve into a more agile, future-ready, and globally integrated organisation, the need for a unified management approach that connects strategy, execution, people, and performance has become increasingly critical. This aspiration has shaped the foundation of the Dr. Reddy's Management System (DRMS).

DRMS focuses on two core elements;

Performance - driving execution through clear priorities and continuous improvements.

Culture - building capabilities, reinforcing behaviour and strengthening accountability.

This approach ensures that strategic priorities are translated into action with consistent execution across the organisation.

The performance engine drives execution through Strategic Deployment Planning (SDP), Lean methodology for driving end-to-end improvements, and daily work management practices through Lean Daily Management (LDM).

The culture engine reinforces this system by strengthening capabilities, embedding ASPIRE behaviours, and aligning performance management practices to drive both outcomes and behaviours.

Over 35 Lean project were initiated with more than 50 Lean champions trained



I want people to be open-minded, learn Lean, and use it to eliminate waste.

"The idea of the system is to bring out the best in you and make yourself the best version of what you can be. The organisation doesn't get the outcome until the whole value chain delivers results."

G V Prasad

Digital Transformation

For us, technology is not merely a support function. It is a strategic lever for reimagining how we operate, compete, and create value. Our digital transformation journey in FY2026 made significant strides in building a future-ready, intelligent, and resilient enterprise.

Impact Across the Value Chain

In FY2026, we continued to advance our digital transformation across eight critical dimensions of our business, building on the strong foundation established in prior years and sharpening our focus on process reimagination, AI integration, and scalable infrastructure.

Core

We moved beyond basic digitalisation by implementing SAP Ariba and automating payables through VIM.

Security

A third-party audit based on the NIST framework validated our cybersecurity posture, complemented by the implementation of ServiceNow ITAM for asset management

Markets

AI-powered commercial and marketing excellence initiatives were further advanced, including analytics-led micro-market segmentation, and omni-channel orchestration for HCP engagement.

Manufacturing

The OpsNext programme expanded further, with the Smart Investigator leveraging AI to score root cause analysis documents

M&A

The Haleon Consumer Health acquisition was integrated seamlessly with minimal disruption, SAP deployed, logistics onboarded, and partners transitioned.

Quality

Quality management processes were fundamentally reimagined ahead of the rollout of ComplianceQuest as the new QMS platform, aiming to take quality beyond compliance.

Science

AI-powered Smart Formulations and Smart Synthesis platforms continue to reimagine pharma R&D, while Aurigene. AI was launched to support drug discovery services for customers.

Patients

Platforms such as Alivius and MyFlexa continued to bring us closer to patients.

Intelligent Nerve Centres and Data Democratisation

Our enterprise data platform has fundamentally redefined how data is accessed, governed, and leveraged across the organisation. Historically, inconsistencies in product data across markets constrained enterprise-wide visibility and decision-making. Today, we operate on a unified data foundation that delivers real-time visibility across sales, P&L, and key operational metrics, establishing a single source of truth.

AI as a Strategic Lever

We are reimagining the role of AI as a foundational capability to transform how work is executed, decisions are made, and expertise is scaled across the organisation. Our approach focuses on three strategic applications of AI in enforcing processes, enhancing productivity, and augmenting expertise.

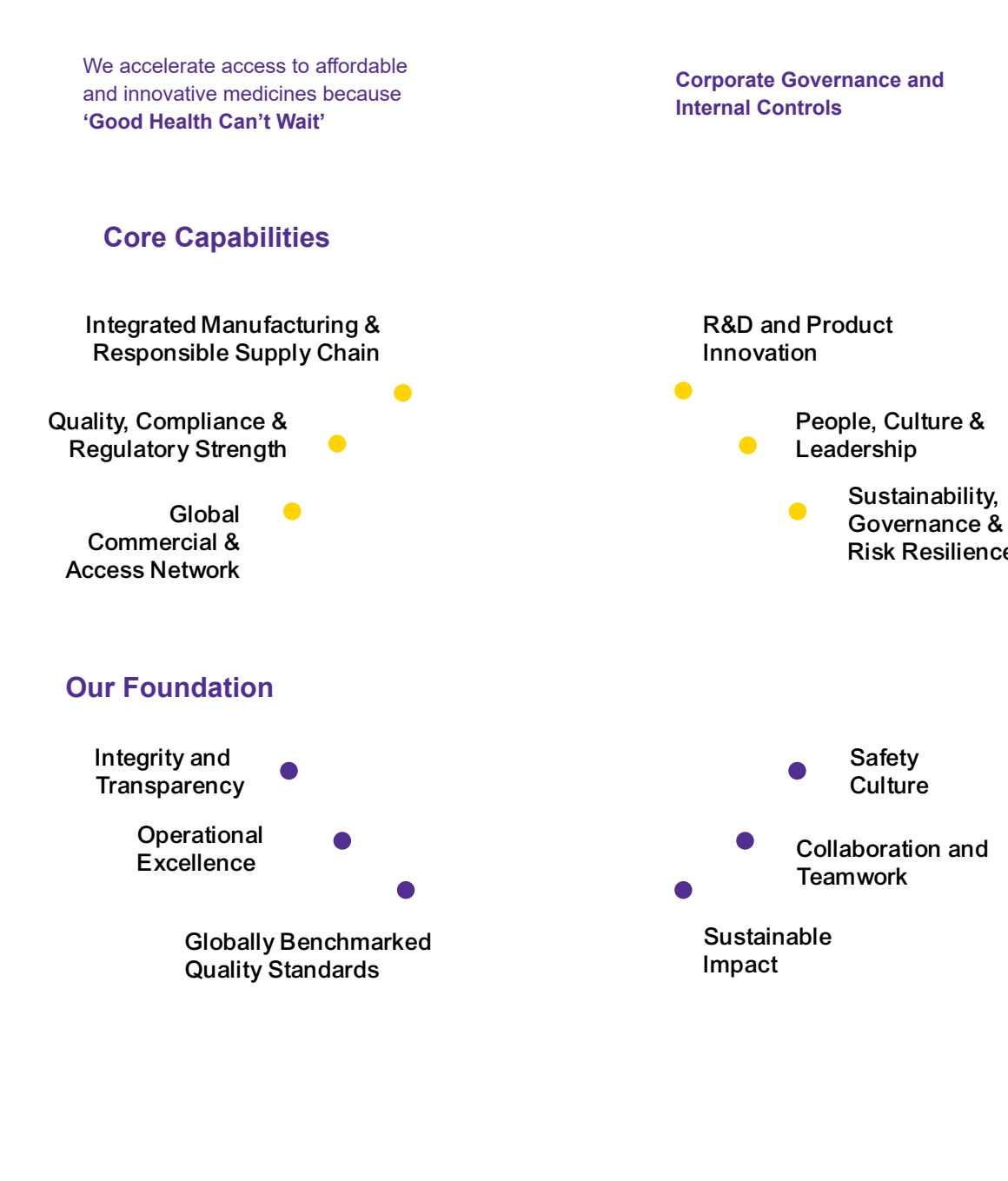


Our Value Creation Model

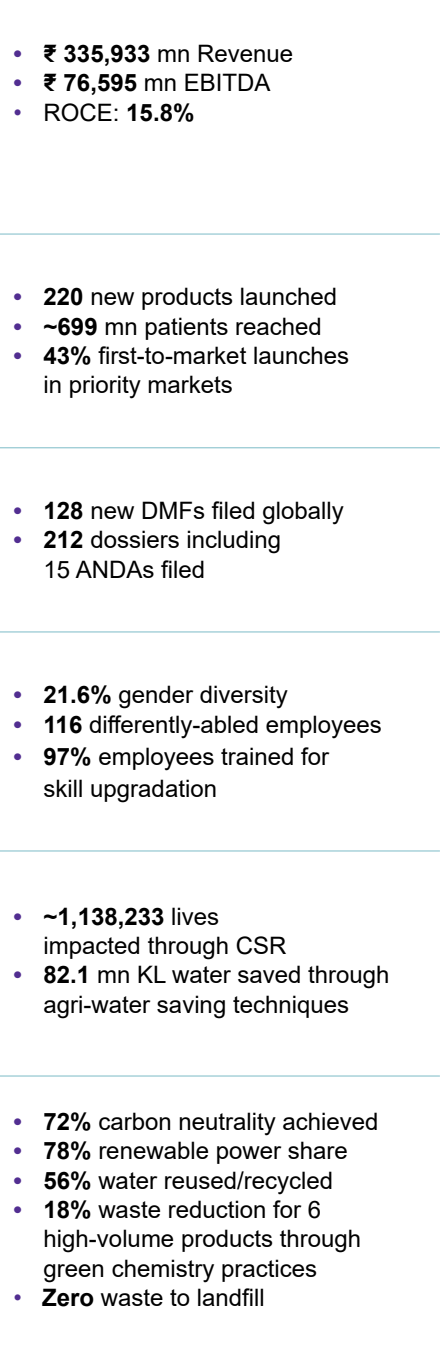
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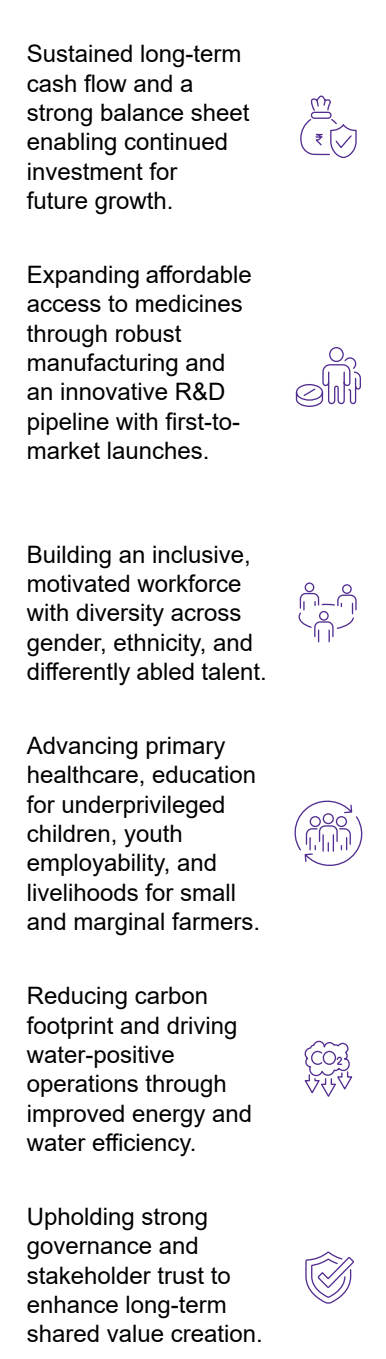
VALUE CREATION FRAMEWORK



OUTPUTS



OUTCOMES



Innovation-led, socially responsible and eco-conscious





BUILDING THE FUTURE RESPONSIBLY

Our commitment to responsible growth shapes every decision we make. By embedding environmental, social and governance principles across our operations, we are creating lasting value for patients, communities and the planet, while building a resilient business for the future.

Value Creation, Sustainability and Long-term focus

"At Dr. Reddy's, value creation begins with patients and extends to partners, society and all our stakeholders. We remain committed to making long-term choices with discipline and transparency, while embedding sustainability into the core of how we operate - from access and innovation to governance, environmental stewardship and social impact."

Erez Israeli
Chief Executive Officer

Environmental

Commitment to environmental stewardship

Theme	Description	Target	FY2026 Progress
Reducing carbon emissions	Adopting renewable power	100% renewable energy by 2030	78%
	Progressing towards carbon neutrality	Carbon neutrality in our direct operations (Scope 1 and Scope 2 emissions) by 2030*	72%
	Reducing carbon emissions in the supply chain	12.5% reduction in indirect carbon emissions across our supply chain (Scope 3 emissions) by 2030*	12% absolute reduction in Scope 3 w.r.t. FY2021
Water positivity	To be a water positive organisation	Be water positive by 2025*	We achieved water positivity in FY2023 and continued to be water positive

* These goals are being replaced with new goals. Refer "Metrics & Targets" section in Building a Greener Tomorrow. pg no 54

Social

Making our products accessible & affordable



Theme	Description	Target	FY2026 Progress
Access	Serving maximum patients globally	Serve 1.5 bn patients by 2030	~699 mn patients reached through our products
Affordability	Introducing first-to-market generics	40% new launches in priority markets to be first-to-market by 2030	43%
Innovation	Improving standard of care to address unmet needs	3 innovative solutions to improve the standard of treatment every year from 2027	5 Deals signed for innovative products for India and Emerging Markets

Contributing to a fairer, more inclusive world

Theme	Description	Target	FY2026 Progress
Diversity, equity and inclusion	Enhancing women leadership	At least 35% women in senior leadership by 2030	17.9%
	Promoting gender parity	Gender parity by 2035	21.6%

Governance

Enhancing trust with stakeholder



Theme	Description	Target	FY2026 Progress
Corporate governance	Committed to upholding the highest standards of compliance and ethics	Meet the highest standards on compliance and ethics backed by robust corporate governance	• Zero material deviations recorded during the year
ESG disclosures*	Transparency and communication around our ESG performance	Enhance disclosure on our ESG progress to reach top quartile by 2025	• Enhanced ESG disclosures with wider coverage of KPIs, increased reporting frameworks like IFRS S1 & S2, SASB
Strategic suppliers	Embedding ESG principles across our supply chain	100% strategic suppliers to be compliant with our chosen ESG framework by 2030	• ESG assessment completed for 94% of strategic suppliers

* Going forward the 'ESG disclosures goal' would be tracked as part of 'Corporate Governance goal'

Access, Affordability, and Innovation

Access, affordability and innovation work together to drive everything we do. During FY2026, we strengthened our pipeline through novel drug development and AI-assisted discovery, expanded our biosimilars portfolio across Europe and the UK, and partnered with global health institutions to bring critical treatments to over 14 low and middle-income countries. We built new commercial infrastructure in sub-Saharan Africa and Southeast Asia and continued investing in health systems strengthening and patient support beyond the pill. Our conviction remains simple: good health cannot wait, and every patient deserves timely access to safe, effective and affordable treatment.

Key Focus Areas

- Strategy for wider access
- Strategic collaborations
- Strengthening our product pipeline
- Focusing on public health
- Patient assistance and support

Material Topics Linked

- M1 Product quality
- M11 Affordability of healthcare
- M12 Access to healthcare
- M13 Customer satisfaction

~ 699 mn
Patients reached through our product portfolio



Our strategy for wider access²

This year, we have strengthened our portfolio with 220 launches spanning oncology, cardiovascular, diabetes, CNS, consumer health and public health portfolios across countries.

In retail-oriented markets, we have been consistently introducing differentiated and first-to-market products. In institutional markets, we continue to be market leaders across key therapeutic areas. Three key levers have driven this achievement:

- **First-mover advantage:** In-house molecule pipeline enabling us to be amongst top three generic launches in several category.
- **Commercial excellence:** Holistic products and structured account management drive strong execution.
- **Targeted access:** Partnerships with integrated healthcare providers expand institutional reach.

Through our collaboration strategies, we have partnered with Henlius for a Daratumumab biosimilar, the Alvotech partnership for a Pembrolizumab biosimilar, and the Hybio term sheet on peptide APIs collectively reflecting a deliberate approach to augmenting product pipeline for broadening affordable access. In biosimilars, we became the first company globally to file a BLA for an Abatacept biosimilar for the intravenous (IV) infusion formulation in the U.S., launched Rituximab across several countries in Europe, and brought Denosumab biosimilar to market in Germany.

On the global health front, our work moved from licensing to execution. The Lenacapavir programme, with Unitaid, CHAI and Wits Reproductive

Health and HIV Institute (Wits RHI), is targeting Low-Middle Income Countries (LMIC's) more with filings underway in approximately 20 countries covering 70% of the global HIV burden. The Depot Medroxyprogesterone Acetate – Subcutaneous (DMPA-SC) programme with the Bill and Melinda Gates Foundation is scaling toward 30 mn units of annual manufacturing capacity, with an India launch planned in FY2027 and a phased rollout across 35 or more countries. Zoliflodacin developed with GARDP and Innoviva – has been filed in Thailand and South Africa to address antimicrobial-resistant Gonorrhea.

Our sub-Saharan Africa footprint expanded to 28 of 49 countries, supported by partnerships with IPS, Corporation For Africa & Overseas (CFAO), Artemis Lifesciences and the IFC. The Nestlé joint venture deepened our medical nutrition access strategy in India through Health Economics and Outcomes Research (HEOR) studies, government tender supply at differentiated pricing, and a scaled diabetes clinic programme. The successful integration of Nicotinell, a WHO Essential Medicines List product, extended our reach in tobacco cessation with geographic expansion and digital behavioural support tools in development.

Through Dr. Reddy's Foundation for Health and Education, we delivered nearly 2,700 preventive health sessions reaching over 175,000 beneficiaries, trained more than 58,000 healthcare professionals, and supported 16,500 patients through dietary consultations. Our digital health platforms, including SemaKare, MeningAware, collectively served patients across

² HC-BP-240a.1

India, Russia and Latin America, reflecting our deepening investment in technology-driven, patient-centric care.

Strategic collaborations

FY2026 marked a strong year for our collaboration strategy, with the company inking and advancing a series of collaborations across oncology, immunotherapy, infectious disease and peptide APIs.

In FY2026, our joint venture with Nestlé has been further integrated to strengthen our access strategy in consumer markets. With medical nutrition penetration at just 5–7% in India, expanding access is foundational to the JV. Our long-term ambition is to manufacture complex products locally to further improve affordability.

Within the diabetic segment, we have piloted a clinical programme with ~100 doctors, offering expert knowledge, lifestyle modification services, and nutritional guidance, with plans to scale to 700–800 doctors over the next 18 months. Our goal is to ensure that access goes beyond product availability to include the right understanding of how nutrition can support better health outcomes.

Through the JV, we have published 10 medical publications this year aligned with global bodies such as American Society for Parenteral and Enteral Nutrition (ASPEN). We also train Speech and Language Pathologists (SLPs) in dysphagia management, enabling patients to transition off tube feeding.

In FY2026, we successfully integrated the Nicotine Replacement Therapy (NRT) business acquisition, deepening our role in tackling one of the world's largest preventable health challenges. Smoking rates still exceed 20–30% across parts of Eastern Europe, Asia, and Africa, while vapes, e-cigarettes,



Developing the Right Products for the Right Markets

Product development is one of Dr. Reddy's strongest differentiators because it brings together deep scientific capability, a clear understanding of intellectual property, and the ability to develop products end-to-end across API and formulations. Our focus is not just on developing products, but on bringing the right products to the right markets at the right time, whether through internal development or through partnerships.

M V Ramana

Chief Executive Officer, Global Generics

and nicotine pouches pose new, clinically unproven risks in developed markets. Our flagship product, Nicotinell, one of Europe's most recognised OTC brands with a 30+ year heritage, 22–23% global share in the ex-US NRT category, and the world's second-largest NRT brand, is listed on the WHO Essential Medicines List and anchors our smoking cessation portfolio across developed and developing markets. The newly launched Nicotinell

Spray (UK, Nordics, France) delivers craving relief lasting over two hours, addressing one of the most persistent barriers to quitting.

We are also building a behavioural support app to address the psychological side of addiction and partnering with government health bodies (e.g., the Nordics) to advance NRT adoption and public smoking cessation campaigns.

Strengthening our product pipeline

Our product pipeline saw momentum in FY2026. As of March 31, 2026, we have received final approval for 339 Abbreviated New Drug Applications (ANDAs). An additional 75 ANDAs are pending approval, of which 43 are Paragraph IV filings, and 22 are believed to have first-to-file status.

During FY2026, we filed 212 dossiers globally, including 15 ANDAs. On the active pharmaceutical ingredients front, we filed 128 Drug Master Files (DMFs) globally during the year, of which 16 were in the United States. Cumulatively, our total active DMFs filed worldwide stood at 1,748 as of March 31, 2026, including 280 active DMFs filed in the US.

Significant strides have been made with Aurigene Oncology's proprietary A-PROX platform, which is centred on Targeted Protein Degradation (TPD). This platform has generated a preclinical portfolio of next-generation degraders, such as SMARCA2 selective degrader for SMARCA4 mutant NSCLC. To accelerate its oncology pipeline, Aurigene Oncology has established key strategic collaborations.

We also entered the anti-vertigo segment with the acquisition of Stugeron and related brands across 18 markets in APAC and EMEA from Janssen Pharmaceutica. In India, we strengthened our gastro-intestinal portfolio with the launch of two novel drugs, Tegoprazan, under the brand name of 'PCAB', and Linaclotide under the brand name of 'COLOZO'.

Entering the GLP-1 Market

Our foray into GLP-1 therapies reflects our deep capabilities in complex product development and peptide science. In Canada, Dr. Reddy's became the first company to obtain market authorisation for generic Semaglutide in one of the world's most highly regulated markets fortifying our long-standing Canadian presence and strengthening our diabetes portfolio across regulated markets.

In India, Obeda, the first DCGI-approved generic equivalent of semaglutide injection, established non-inferior efficacy and a safety profile comparable to the innovator drug. A GLP-1 receptor agonist with a globally proven track record in glycaemic control and weight management, its launch meaningfully expands affordable access to a therapy class that has transformed diabetes and cardiometabolic care.



We have improved to
9th Position in Indian
Pharmaceutical Market (IPM)

28 new brands launched in
India in FY2026

Source - IQVIA MQT March 2026

**Advancing clinical research
through strategic public-private
partnerships**

**ICMR Collaboration on Multiple
Myeloma**

We successfully built on the Memorandum of Agreement with the Indian Council of Medical Research (ICMR) for a collaborative research project aimed at advancing our small molecule Multiple Myeloma clinical trial. Our commitment to creating research-driven products that meet the evolving needs of the healthcare ecosystem remains at the core of this partnership. The ICMR collaboration complements a broader strengthening of our oncology pipeline.

These partnerships underscore our deepening focus on innovating cutting-edge solutions to positively impact the lives of cancer patients.

**Launches that addressed
unmet needs**

Beyond regulatory filings, FY2026 was equally defined by the translation of our pipeline into meaningful product launches across therapy areas where standard of care has long lagged unmet need. Four Novel product introductions through in-licensing, illustrate our commitment in delivering differentiated therapies to patients who need them most.

Sensimune is a sublingual immunotherapy tablet for house dust mite induced allergic rhinitis and asthma. Unlike conventional symptomatic therapies, it offers a disease-modifying effect by desensitising the immune system, with clinical benefits persisting two to three years after therapy is discontinued. The launch addresses a long-standing gap in allergy care where patients previously relied on lifelong symptom control.

Building on the exclusive licensing agreement with HK inno. N Corporation, our commercial rollout of Tegoprazan in India during FY2026 introduced a next-generation potassium competitive acid blocker to a market long reliant on proton pump inhibitors. The launch extends affordable access to an advanced acid suppression class in a high-prevalence disease area.

We became the first pharmaceutical company to receive regulatory approval to launch Linaclotide in India, under the brand name Coloza, a first-in-class guanylate cyclase C agonist. Coloza is approved in India for chronic idiopathic constipation in adults, addressing the limited efficacy of conventional laxatives on abdominal pain and bloating. It is the first therapy in India to target motility and pain together in this patient population.

Novotaxel is a novel docetaxel formulation powered with TPGS (D alpha tocopheryl polyethylene glycol 1000 succinate), indicated for breast, prostate, head and neck, non-small cell lung, and gastric cancers. Its key differentiation is the elimination of steroid premedication, avoiding steroid linked adverse effects and meaningfully enhancing patient comfort across the treatment journey. Novotaxel sets a new benchmark as a safer, clinically advanced alternative in an otherwise commoditised chemotherapy segment.

Global Academic Collaborations
Aurigene Pharmaceutical Services Limited (APSL) and CSIR-Indian Institute of Chemical Technology (IICT) continued to work together during FY2026 to develop and integrate AI models into drug discovery processes, aiming for faster and more efficient development. This collaboration includes initiatives such as training programmes for fresh graduates and the development of AI-powered drug discovery platforms.

During the year, the impact of this partnership became tangibly evident: APSL delivered three discovery programmes through its in-house, AI-assisted drug discovery platform, Aurigene.AI, demonstrating a meaningful transition from platform development to real-world programme delivery.

Aurigene.AI, developed with IICT's input, utilises AI models to predict Absorption, Distribution, Metabolism, Excretion and Toxicity (ADMET) properties, crucial for accelerating drug development timelines and improving candidate quality. Aurigene continues to maintain a strong partnership with IICT's CADD group and technical team in developing and refining the platform. Beyond drug discovery, APSL further demonstrated its growing stature as a pharmaceutical services partner during FY2026. APSL served as the exclusive API manufacturer for 2 of the 46 Novel Drugs approved by the USFDA in 2025, reinforcing its position as a trusted CDMO partner for innovative pharmaceutical companies globally.

Biosimilars
Our biosimilars business has expanded from emerging markets onto the global stage, with commercial launches in Europe and the UK and new partnerships for widely prescribed biologics. This year, we secured marketing authorisations in multiple regulated markets, became the first company to file an Abatacept BLA for IV infusion in the U.S., and partnered to develop a biosimilar to a leading oncology drug.

Our strategic model has also evolved: in-house development now sits alongside in-licensing and co-development partnerships to scale faster, optimise investment, and de-risk pipelines, while dedicated front-end commercial teams in the U.S. and Europe establish direct presence in regulated markets.



**First company to secure
market authorisation
for generic semaglutide
in India & Canada**

**Two launches defined the year in
Europe:**

- Ituxredi, our rituximab biosimilar, moved from EMA CHMP positive opinion to European Commission and UK MHRA approvals, and is now commercially available in Europe, an affordable alternative to MabThera for non-Hodgkin's lymphoma, CLL, rheumatoid arthritis, and other serious conditions
- Acvybra and Xbonzy, biosimilars to Prolia and Xgeva, launched in Germany by December 2025, expanding affordable access for osteoporosis and cancer-related bone complications

We became the first company globally to file a Biologics License Application (BLA) with the USFDA for an Abatacept biosimilar, with the FDA accepting our application for review in February 2026. Given the molecule's complexity, Abatacept is expected to be a limited-competition product. This milestone reflects the strength of our internal biologics engine, from discovery through clinical development to regulatory filing, and our commitment to bringing affordable autoimmune therapies to American patients. The IV formulation BLA was filed in December 2025, while the subcutaneous formulation is under development with filing expected, together addressing the full spectrum of patient and physician preferences.

Our emerging markets strategy continues to prioritise affordable access to biologics. In-licensing for India and

emerging markets requires a fraction of U.S./Europe investment, allowing more partnerships and a broader portfolio of therapies for these regions.

Through our Bio-Thera Solutions partnership, we are commercialising BAT2206 (Stelara biosimilar) and BAT2506 (Simponi biosimilar) across Southeast Asia (Cambodia, Indonesia, Malaysia, Philippines, Thailand, Vietnam), expanding affordable autoimmune care where originator prices remain prohibitive. In India, our Zydus partnership for a pertuzumab biosimilar alongside our trastuzumab biosimilar Hervycta brings the complete HER2-positive breast cancer standard of care within reach for more patients.

Beyond biosimilars, we are selectively investing in novel biologics for significant unmet needs. Our partnership with Coya Therapeutics (US-listed) to co-develop Coya 302, a novel combination therapy for ALS, has evolved from an Abatacept supply agreement into a co-development arrangement with Dr. Reddy's co-funding development, holding marketing rights across several regulated markets, and making a strategic equity investment in Coya. While novel molecules carry inherently lower clinical-success odds, the potential patient impact in a disease with few treatment options is substantial.

Partnering for the Future of Oncology

Oncology remains a cornerstone of our overall business strategy, and this year we significantly strengthened our pipeline through two major collaborations.

We entered a collaboration with Alvotech to co-develop, manufacture and commercialise a biosimilar candidate to Keytruda (pembrolizumab) for global markets. Pembrolizumab is arguably the most transformative oncology therapy of our time, indicated across numerous cancer types and representing nearly US\$ 30 bn in global sales. By combining our respective strengths in biosimilar development and manufacturing, we aim to accelerate the journey towards making this critical immuno-oncology treatment more widely accessible and affordable for cancer patients around the world.

We also progressed in our partnership with Henlius for the commercialisation of HLX15, a daratumumab biosimilar candidate to Darzalex and Darzalex Faspro, indicated for the treatment of multiple myeloma. Under this agreement, we hold exclusive commercialisation rights for

both the subcutaneous and intravenous formulations across 43 countries, including the United States, and 42 European countries and regions. The Phase 1 clinical study for HLX15 has been completed with positive results, and comparative efficacy studies are now underway.

Orphan drugs

We continue to maintain a portfolio of APIs and formulations targeting orphan indications across different therapeutic areas. We have remained steadfast this year in rare disease research through Dr. Reddy's Institute of Life Sciences (DRILS), our public-private partnership with the Government of Telangana and the University of Hyderabad, driving our focus on interdisciplinary research to address unmet medical needs.

Toripalimab, an immuno-oncology drug launched in India in FY2025 under the brand name Zytorvi, has continued

to gain traction during FY2026 and expanded its market reach. The drug, which holds Orphan Drug Designation (ODD) from both the US FDA and EMA for several indications including nasopharyngeal cancer and non-small cell lung cancer (NSCLC), was among the top 50 newly introduced brands in India as per IQVIA during the fiscal year. We hold the rights to commercialise Toripalimab in 21 countries, including South Africa, Brazil, Australia and several countries in Latin America. Our core focus during the year was on building commercial infrastructure in these markets to support broader patient access by building stronger partnerships and reinvigorating existing ones with a sense of purpose and direction.

Public health

Public health continues to be a core focus area for our work, with our goal of reaching 1.5 bn patients by 2030 making significant strides. During the fiscal year, we made substantial progress in expanding access to affordable medicines in low- and middle-income countries (LMICs), particularly through new partnerships in sub-Saharan Africa and Southeast Asia, as well as through the continued development of voluntary licensing and global health programmes across French West Africa and East Africa, targeting a large share of LMICs and low-income countries (LICs).

788,571

Unique patients reached through our oncology products in FY2026

³ HC-BP-240a.2

Turning a Licence into a Lifeline for HIV Prevention³

From a public-health and access perspective, accelerating national regulatory filings is critical to enabling timely product introduction, scaling access, and reducing HIV incidence in resource-limited settings.

In FY2026, we continued to build our relationship and partnered with organisations such as Unitaid, the Clinton Health Access Initiative (CHAI) and WITS RHI to make the HIV prevention product Lenacapavir accessible and affordable in low- and middle-income countries. We have prioritised approximately 20 countries in the first phase, collectively accounting for ~70% of the HIV burden, and regulatory filings in these high-burden countries are currently underway. This builds on the royalty-free, non-exclusive voluntary licence received from Gilead Sciences in FY2025 and converts that licence into a concrete programme with committed pricing discussions and distribution planning alongside established global health organisations. The collaboration with CHAI focuses specifically on marketing and distribution in low-income and lower-middle-income countries. This marks a significant step in raising awareness and providing access to HIV treatments in these countries and bridging the gap between patient needs and pharmaceutical action.

Acting on the Gonorrhea crisis

Antimicrobial resistance is a growing global concern, driven by the misuse and overuse of existing drugs. This challenge is particularly acute in the treatment of Gonorrhea, where low- and middle-income countries contribute 65 to 70 per cent of new cases globally. While most cases are currently treated with a first-line therapy of Ceftriaxone combined with Azithromycin, resistance to these regimens is rising sharply in

Southeast Asian and Sub-Saharan African countries, creating an urgent need for new treatment options.

Zoliflodacin is a new chemical entity that has shown promise in treating resistant cases of uncomplicated Gonorrhea. In collaboration with GARDP and Innoviva, APSL has received the licence to develop, manufacture and market this novel therapy. Once approved Zoliflodacin is expected to meaningfully benefit patients facing high antimicrobial resistance where existing treatment options are increasingly inadequate.

Expanding Roots Across Sub-Saharan Africa

FY2026 marked a foundational year for us in sub-Saharan Africa. We managed to establish a meaningful on-the-ground presence, developing and onboarding distribution partners across East, West, and Southern Africa.

Several strategic partnerships underpin this expansion and reaffirm our mission to strengthen the core and build for the future. The collaboration with Industrial Promotion Services (IPS), an agency of the Aga Khan Fund for Economic Development, continues to progress, with IPS supporting both the establishment of sales and marketing operations in Kenya and other East African markets, and the development of manufacturing facilities in Kenya and Uganda. In French West Africa, a partnership with wholesale distribution group, covers 14 countries and provides pharmaceutical logistics and wholesale distribution infrastructure, bringing security to supply chains and manufacturing in the region. In South Africa, we partner with established local pharmaceutical players for public health and NCD products.

Initial product launches during the year included oncology, cardiovascular and diabetes products in Kenya, with a few



launches in Tanzania and Uganda, with extensive plans underway to bring Semaglutide products as well to parts of Africa. Our public health product portfolio, which includes high-reach access products, has seen the most traction in the region so far, while NCD products are expected to scale more meaningfully in upcoming fiscal years.

We have established a partnership for Ferric Carboxymaltose (Fericarbox), an intravenous iron therapy for the treatment of iron-deficiency anaemia, which is being made available across six East African countries.

Expanding Preventive and Anti-Infective Access

While our voluntary licensing and global health collaborations extend access to transformative therapies in LMICs, our preventive and anti-infective portfolio plays an equally vital role in public health, particularly in categories where the burden of disease remains high and preventive options have historically been limited or absent.

Hevaxin is the only vaccine approved by the Drug Controller General of India for active immunisation against Hepatitis E Virus infection in adults aged 18 to 65 years. According to the WHO, HEV infects ~20 mn people annually, causing ~3.4 mn illnesses and ~70,000 deaths worldwide, and in India accounts for up to 40% of acute hepatitis cases and 15% to 45% of acute liver failure cases. Hevaxin supports outbreak prevention in waterborne, and monsoon-linked settings and protects high risk groups such as pregnant women, where fatality rates remain high. It fills a clear gap, given the absence of routine global HEV immunisation despite endemic prevalence.

This combination of voluntary licensing, novel mechanisms and affordable access continues to shape how we bring next-generation therapies to patients across low- and middle-income geographies.

Empowering Reproductive Choices

The DMPA-SC programme, a subcutaneous contraceptive, is targeted at more than 20 LMICs across 20 key markets, with our broader ambition to reach over 100 mn users in sub-Saharan Africa by 2030. This initiative supports the long-term goal of empowering 7.5 to 15 mn women through sustainable, affordable contraceptive access in resource-limited settings.

Sub-Saharan Africa, accounts for approximately 70% of the world's people living with HIV. Dr. Reddy's has initiated in-country filings in severely affected countries for WHO prequalification, as well as the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) filings with the US FDA.

The programmes have the potential to touch ~30 mn lives.

Health systems strengthening and sector-wide approaches (HSS/SWAPs)

Through the Dr. Reddy's Foundation for Health Education (DRFHE), we continued to strengthen India's healthcare ecosystem by systematically enhancing professional capability, advancing early diagnosis, enabling healing through evidence-based nutrition, and expanding preventive health awareness at scale. Till date, DRFHE initiatives have positively influenced over 700,000 healthcare professionals across India, reflecting the depth and reach of our long-term commitment. In FY2026, DRFHE delivered high impact training, awareness, and preventive health programmes across diverse institutional and community settings, translating strategy into measurable outcomes.

Our flagship preventive health initiative, Awareness for Life (AFL), achieved strong execution momentum with 2,693 sessions delivered spanning 739 corporates, schools, colleges, and residential societies. These interventions reached 175,194 beneficiaries in FY2026, with an average engagement of 65 participants per session, delivered through a balanced model combining 70% on-ground physical sessions and 30% digital formats, ensuring both reach and effectiveness. AFL has touched around 800,000 lives to date.

Parallely, DRFHE's professional capability building programmes demonstrated robust delivery discipline, with 2,572 training programmes completed out of 2,781 planned, benefiting 58,616 healthcare professionals.

~188 mn
Patients reached in LMIC's in FY2026

Complementing training and awareness efforts, the Dietlogues programme strengthened preventive and therapeutic care by supporting 16,500 patients in FY2026 through more than 46,500 personalised dietary consultations. Dietlogues has touched 70,000 patients till date. Together, these initiatives underscore DRFHE's role as a catalyst in building a more competent, preventive, and patient-centred healthcare system, driving sustained impact across professionals, patients, and communities.

We have developed education ecosystems for healthcare professionals, built to support learning, collaboration, and clinical excellence. Our programmes include region-specific platforms like DocVidya in India, MedEnrich in Spain, Medepro in South Africa, and Medznat in Russia. Each one is tailored to local needs while offering trusted, evidence-based content. Through certified courses, expert webinars, and interactive communities, MedEngage helps doctors stay up to date, upskill, and deliver holistic care in a manner that

aligns with international best practices. We also initiated a Premier scientific education series designed to deepen clinical understanding in nephrology (Nephro Talks) and across a spectrum of solid tumours (Onco Talks) and blood tumour types (Hemo Talks). These initiatives bring together leading experts to share cutting-edge insights and foster meaningful dialogue. The programmes help us advance nephrology and oncology care through knowledge, collaboration, and innovation through knowledge-sharing and discussions between HCPs and research scientists.



Patient assistance and support

At the heart of our commitment to patient well-being lies a growing ecosystem of digital health platforms, each designed to address critical healthcare gaps across geographies and therapeutic areas.

- **MeningAware:** A WhatsApp bot in raising awareness about Meningococcal Meningitis through AI-powered Q&A, vaccine reminders, and prevention information, reaching ~45,000 users across 250,000+ conversations.
- **MyFlexa:** An AI-driven digital therapeutics platform in Russia for musculoskeletal health offering personalised exercise coaching and mobility tracking alongside the Nise portfolio, serving 300,000+ patients in FY2026 with 64% reporting significant pain relief at an average 48% reduction.
- **Lila:** A digital cancer care platform in Colombia connecting patients,

caregivers, and hospital teams from diagnosis through treatment via secure mobile/web apps, deployed in 10 hospitals and supporting 5,500+ cancer patients in treatment adherence and improved clinical outcomes.

- **Womab Patient Support Programme:** A specialised education and lifestyle support programme for HER2-positive breast cancer patients, combining emotional counselling, personalised nutritional guidance, and physical health coaching to manage side effects, fatigue, and anxiety, supporting patients on their journey toward improved confidence, dignity, and quality of life.
- **Unbreakable You 2.0 (Evenity):** A comprehensive support programme for osteoporosis patients (particularly post-menopausal women and the elderly), integrated with the Injection at Home service for Evenity and blending education on bone health,

WhatsApp/coach-led motivational support, lifestyle guidance (nutrition, safe exercise, fall prevention), and HCP-aligned medication to reinforce long-term bone health through technology and human touchpoints.

- **SemaKare & SemaKare at Home:** A connected support ecosystem for GLP-1 therapy users managing type 2 diabetes and obesity-related conditions, where the SemaKare app tracks dosage, weight, and glucose with reminders and educational content, while SemaKare at Home builds self-administration confidence via at-home device demonstrations and telephonic support on injection technique, storage, and side effects, together supporting patients in transitioning from prescription to sustained adherence and improved outcomes.

Together, these platforms reflect our deepening investment in technology-driven, patient-centric care that creates lasting social impact.

Our Patient Support Programs (PSPs) go beyond medication to support the full treatment journey across oncology, osteoporosis, diabetes, cardiac care, and critical access, combining education, counselling, lifestyle guidance, and technology-enabled human engagement to improve adherence and quality of life. Three flagship initiatives are highlighted below:

Sparsh Patient Assistance Programme

The Sparsh Patient Assistance Programme is proudly celebrating a landmark milestone of 20 years of impactful service (2006 to 2026). Through this programme, we assist economically disadvantaged patients in completing chemotherapy. It provides subsidised or free medications to those burdened by the exorbitant costs of cancer treatment. Over the past two decades, Sparsh has evolved into one of the most trusted patient assistance initiatives, driven by the belief that Good Health Can't Wait. The programme has enabled patient access to over 2.5 lakh units of critical therapy across its 20-year journey. In FY2026 alone, 5,697 unique patients were served, reflecting the programme's continued relevance and reach.



20 years of Sparsh, expanding access to life-saving cancer therapies for underserved patients.

UDAY (Unite Against Diabetes & Hypertension) programme

UDAY clinics and camps, focused on the management of diabetes and hypertension, have positively impacted over 425,000 rural patients through 25,000+ camps conducted across India this year. These initiatives actively engage rural healthcare practitioners through structured scientific programmes, strengthening early diagnosis and management of chronic conditions.

To further enhance clinical capabilities, we conducted a certification programme in collaboration with the American College of Physicians (ACP), through which ~9,500 HCPs were upskilled in FY2026, with focused training and best-practice sharing in the management of hypertension and diabetes.

This initiative reflects our ongoing efforts to drive early diagnosis, standardised treatment, and capacity building in managing hypertension and diabetes across rural India.

HF-Arise

HF-Arise is a large-scale cardiac care initiative focused on raising awareness, improving lifestyle, and supporting patients diagnosed with Heart Failure (HF), a progressive condition that significantly impacts quality of life and mortality. The programme has reached a cumulative 237,977 cardiac patients, of which 43,332 are heart failure patients receiving focused support. The programme operates through a strong on-ground network of 92 in-clinic counsellors deployed across the country, working in close collaboration with over 250 cardiologists to ensure counselling is aligned with physician recommendations.



Helping Our People Realise Their Full Potential

Our people drive our mission and growth. Through meaningful engagement and development, we help employees thrive, work with purpose, and support sustainable success. Our programmes foster an inclusive, supportive environment that values diversity, well-being, continuous learning, and workplace safety. By putting people first, we create a culture that supports individual growth and leads to better outcomes for patients everywhere.

Key Focus Areas

- Occupational health and safety
- Diversity, equity, and inclusion
- Talent attraction and retention
- Employee engagement
- Learning and development
- Performance management and productivity

Material Topics Linked

- M6 Health and Safety
- M17 Human Capital Development

19
Facilities hold ISO 45001:2018 Occupational Health and Safety (OH&S) management systems certification



Occupational Health and Safety

Ensuring a safe and healthy workplace is a core value for us. We continuously improve infrastructure, work practices, and employee behaviours to maintain high safety standards. Our Safety, Health, and Environment Policy applies to all direct stakeholders within our global operations. A three-tier governance framework with monthly reviews ensures accountability and oversight.⁴ Quarterly updates on Health and Safety are provided to the Chief Operating Officer (COO). We also ensure that these systems are extended to our JVs and acquisitions.⁵

Occupational Health and Safety Management System

During the year, we have adopted various initiatives to advance our safety culture. Our OH&S systems cover 100% of our employees, workers, and contractors.⁶ This year, we strengthened our safety culture through a maturity model defining roles and responsibilities for frontline staff, management, leadership, and contractors.

We provide ongoing safe work practice training across all locations, with mandatory site-level safety training for employees and workers. Special focus

is placed on managing High-Hazard Chemicals and High-Hazard Processes.⁷ Structured and risk-based training ensures targeted learning for shop floor personnel aligned with compliance and safety standards.

Risk and Hazard Identification and Mitigation

Robust processes help identify workplace hazards and manage risks through structured reporting and review. Monthly safety campaigns raise awareness, encourage behavioural change, and reinforce safe practices. We have engaged third-party safety consultants to conduct a safety cultural survey and gap analysis. Notably, our Lost Time Injury Frequency Rate (LTIFR) has decreased in our India operations as a result of continuous monitoring and behavioural safety aspects. In FY2026, LTIFR stood at 0.00 for employees and 0.08 for workers in our India operations. The LTIFR for our overall operations is 0.16 for employees and 0.08 for workers in FY2026. There has been an increase in the LTIFR for employees as compared to last year due to an increase in reportable injuries in the UK manufacturing facility.

⁴ GRI 403-1
⁵ GRI 403-7
⁶ GRI 403-8
⁷ GRI 403-5



Compliance with process safety norms is monitored through regular audits, including Dream Zero Harm (DZH) scorecards, ISO systems, and customer audits as needed. The DZH safety maturity model assesses site improvements in safety systems, showing ~49% improvement across operational sites in FY2026. Risk assessments such as Hazard and Operability Study (HAZOP), What-If, Hazard Identification and Risk Assessment (HIRA), and Failure Modes and Effects Analysis (FEMA) are conducted with cross-functional teams, workers, and shopfloor personnel to strengthen hazard identification and risk control⁸.

Equipment safety inspections are conducted under a Machine Safety Management System to ensure compliance and risk control. Job Safety Analyses for non-routine tasks involve workers directly to improve hazard recognition and risk mitigation.⁹

A Safety-by-Design process has been implemented for activities involving hazardous exposure, with systematic quantitative exposure assessments. Control effectiveness and residual risks are reviewed through a structured cross-functional process. We apply this risk-based approach to New Product Introduction to reduce process, occupational, and operational risks. A multi-functional team, including R&D scientists, process engineers, toxicologists, and safety leads, conducts occupational risk assessments and site capability evaluations.

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Manufacturing facilities are certified under ISO 45001:2018.

⁸ GRI 403-2, GRI 403-4
⁹ GRI 403-4
¹⁰ GRI 403-3
¹¹ GRI 403-6
¹² GRI 405-1

Our Safety Data Sheets are digitally accessible through the SHE Info Centre online. They help workers and occupational health professionals identify acute and chronic exposure hazards, understand exposure routes, and plan emergency response and post-exposure care.

Safety maturity model assessments are conducted annually across sites to track progress. Year-round campaigns engage leadership and employees on hazard awareness, safe behaviours, and incident reduction. Last year, we improved transport safety by installing In-Vehicle Monitoring Systems to track driver behaviour and fatigue. Daily commute safety remains a priority to support employees' physical and mental-readiness for work. Defensive driving training has been provided for company bus drivers and for 76% of employees and 83% of contractors who use personal vehicles.

Occupational Health and Well-being¹⁰

All permanent and non-permanent employees are covered by health and accident insurance. Our occupational health teams help identify workplace hazards and support employee health and well-being.

Our wellness programme, My Health Index (MHI), has expanded from 2 sites in FY2019 to 16 sites in FY2026 and is targeted to be implemented across all our units by 2030. MHI uses digital platforms for tracking health indicators and encourages voluntary participation via newsletters, wellness activities, and targeted sessions on issues like stress, anger management, and lifestyle coaching.

Consultations under My Health Index

~28,100

Dietician

~24,700

Fitness

~15,900

Happiness

As part of our employee well-being initiatives, alongside MHI, we offer broader mental wellness programmes, including the Employee Assistance Programme by Mindpeers and Roots & Wings for young trainees. Our support also covers non-workplace health needs through psychological support, blood donation drives, marathon participation, breast cancer screening, and mental health programmes¹¹.

Routine ergonomic assessments and hazard controls address musculoskeletal and other workplace risks. Psychological well-being initiatives support work-life balance and stress management. Digital tools such as surveys, podcasts, and gamified wellness programmes encourage ongoing health engagement.



Diversity, Equity, and Inclusion (DEI)

Gender diversity and inclusion

We remain committed to initiatives that strengthen gender diversity and support women throughout their careers. These include focused recruitment, skill-building, leadership development, and parental support to improve representation and to build a

strong talent pipeline. Our bench hiring frameworks help train and integrate qualified women into critical roles, supporting inclusive talent acquisition. This year, we were also invited to present our DEI best practices in manufacturing at the SheMaker event hosted by People Konnect.

21.6% | 17.9%¹²

Women in workforce and in our leadership team respectively

51%

Female participants in Apprenticeship programmes include ~600 participants of which 90% were from economically weak background



Key programs

Local Diversity Councils

We advance inclusive recruitment for women and LGBTQIA+ individuals to better reflect the communities we serve. Our efforts include fair hiring, diversity training, employee resource groups, mentorship, flexible work options, and periodic diversity assessments to strengthen DEI. The IPDO Regional Diversity Committee supports building a workforce that reflects diversity in the scientific field.



Talent Fishing to Talent Farming – Leadership Development

A defining shift in our journey has been the move from talent fishing to talent farming. Our focus is on building leadership bench strength from within, through development journeys and preparing people for broader responsibilities. This approach helps us create a stronger, more resilient organisation by ensuring our leaders are developed with purpose and set up for long-term success.

Sanjay Sharma
Chief Operating Officer



Internship-to-Technical Trainee Pathway

Eight individuals with disabilities were recruited as interns from prestigious institutions (NIPER, IIT), following which they completed comprehensive internship programmes with regular evaluations before being confirmed as Technical Trainee (TT) staff members.



Women in Science Project-Based Initiative

Introduced through Propel, our internal talent platform, in July 2025, ten project-based R&D opportunities were made available as development experiences for women throughout IPDO and Biologics divisions.



Women Connects

These connects promote inclusivity by engaging and empowering women through learning opportunities, wellness sessions, and mindset shifts that advance greater equity.

Other key programs



Chrysalis

Now in its 6th edition, the Chrysalis Programme is a nine-month development journey for 30 high-performing mid-level women leaders, preparing them for future leadership roles. The programme builds competencies such as navigating complexity, learnability, purpose-driven agility, and strategic thinking through instructor-led sessions, group coaching, and senior leader mentorship. Participants also complete high-impact business projects that apply learning, encourage cross-functional collaboration, and increase leadership visibility.



Self-Managed Teams (SMT)

Provides rural women with skill development and higher education opportunities. As of FY2026, 208 SMT TTs were structured, maintaining 56% diversity. All SMT TTs were recruited through Economically Weaker Category (EWC).



WOW (Womb to the World)

Designed to assist working mothers throughout pregnancy, postpartum recovery, and guidance on parenting until the children turn 18.

56%
diversity in Self-Managed Teams (SMT)

We are committed to enhancing access, representation, and support for people with disabilities (PwDs) throughout our workforce.

Talent Attraction and Retention

We advanced our talent acquisition transformation by strengthening internal capabilities in talent advisory, scouting, operations, and market intelligence, reducing reliance on external vendors. Our AI-driven recruitment model and digital platforms improve transparency, streamline hiring, and enhance candidate and onboarding experiences¹³.

SpringBoard, has been deployed across EMEA, APAC (excluding Japan), NA, and LATAM (excluding Jamaica), evolving from an India-led launch into a unified global recruitment platform. This expansion has standardised processes worldwide and expanded our candidate pool to over 500,000 candidates, while achieving ~80% annual vendor cost savings in FY2026, establishing a scalable, efficient, and future-ready hiring ecosystem. In FY2026, a total of 5,423 new employees were hired¹⁴.

To attract emerging talent, we developed a B.Tech (Applied Sciences) programme in which students rotate through Business Units each semester and study at Company locations. For the second year, we also joined the government's PM Internship Program, offering year-long internships to 40 participants, with 18 moving into Apprenticeship programs.

¹³ HC-BP-330a.1
¹⁴ GRI 401-1



Employee Engagement

We maintain employee experience as a fundamental priority, grounded in the principle that cultivating high trust and high-performance workplace culture directly impacts business results. Our strategy, built around three experiential pillars – Efficient, Joyful, and Connected – emphasises ongoing recognition, continuous professional development and learning opportunities, plus robust well-being support systems. We employ AMBER, a continuous feedback platform, to monitor and enhance employee experience through timely data collection and swift responses to evolving requirements.

This fiscal year saw the expansion of the listening framework through VMATTER Teams, an on-site HR network that acts as a communication channel between employees and management. This initiative collected real-time feedback via individual meetings, group discussions, skip-level conversations, and field visits. VMATTER conducted 133 focus group discussions and 253 engagement booths, connecting with approximately 2,500 employees, allowing for detailed sentiment analysis and faster, more genuine issue resolution.

Employee Experience Score of 86 for FY2026

We significantly improved our Great Place to Work standing, rising to 38th place and earning recognition as a Top 25 Best Workplace in the pharmaceutical sector, reflecting our strong culture. Our advantage comes from fostering belonging and a strong connection to our mission and values.

Our employee volunteer initiative, Dr. K. Anji Reddy's Spirit of Giving, offers structured opportunities to contribute to CSR areas such as Education, Livelihood, Health, and Environment. The programme supports purpose-driven engagement and keeps volunteering accessible, inclusive, and meaningful across roles and locations.

To encourage participation, the programme offers flexible weekday and weekend options through virtual, internal, field, and community outreach formats.

During FY2026, the Spirit of Giving programme encompassed diverse meaningful activities such as organising sports events for students, conducting menstrual health awareness sessions, dental care camps, school improvement projects, and developing Braille educational materials for underserved schools. Community-oriented efforts included supporting local businesses, addressing homelessness and hunger, organising blood drives, and other targeted interventions. Additionally, employees shared their professional knowledge through skill development workshops on DevOps, cloud security, communication, and leadership at Dr. Reddy's Foundation (DRF) training centres for young people from underserved communities, enhancing their employment prospects.

Several initiatives saw active participation from Management Committee members and their teams, with leaders setting the example.

Their visible involvement helped drive wider employee participation and strengthen a strong volunteering culture across the organisation.

Talent Enablement

We continued strengthening our talent ecosystem by moving toward a skill-based organisation that supports business agility and employee growth. Through a unified skills and career architecture, we improved visibility into roles, skills, and personalised career paths, while enabling employee-owned learning, gigs, mentorship, and career mobility.

Our AI-enabled talent marketplace expanded access to opportunities, accelerated internal mobility, and supported career movement across job families. Together, these efforts are building a high-performance, future-ready workforce while strengthening engagement, purpose, and competitiveness.

Key Programmes

Road to Leadership (RTL) strengthens the bench for senior leadership roles, including site head and equivalent positions in our Global Manufacturing Operations unit. It develops end-to-end perspectives, leadership capabilities, operational excellence, and digital skills to prepare participants to lead plant operations.

Launched in 2012, the New Horizons Leadership Programme (NHLP) is our signature programme focusing on senior leaders' personal transformation journeys, developing effective leadership capabilities that drive significant business results. The programme includes personal coaching, completion of one Breakthrough Project, and two days of voluntary service at an NGO.

Our Young Leaders' Program (YLP) is a 15-month initiative for early-career Management and Technical Young Leaders. Through cross-functional rotations across business units, it builds organisational understanding and develops a versatile, high-performing talent pool.

Learning and Development¹⁵

Learning and development remained central to our people strategy. With changing market dynamics, patient needs, and emerging technologies, building a future-ready workforce that embraces change and improves productivity is essential. Our learning initiatives align with business priorities and future capability needs, preparing employees for current and emerging challenges. Through focused programmes, functional learning, and targeted leadership development, we are building critical skills that drive performance and innovation. In FY2026, we implemented focused initiatives to cultivate leadership skills and strengthen future-readiness through core functional competencies. Average hours of training per employee were 74.4 hours¹⁶.

Our flagship programmes including New Product Launch Excellence, Road to Leadership, and High Throttle help establish a robust leadership pipeline. Digital learning reached maturity and ensured broader reach and improved availability of relevant programmes for our employees.

¹⁵ GRI 404-2

¹⁶ GRI 404-1

Key Programs

AnalyticsX, a Marketing Excellence initiative, covered Brand Managers who are now certified and have successfully applied frameworks directly to their own brands using real P&Ls, multi-year data, and live dashboards. The programme institutionalised P&L-linked decision-making and data-driven RCA, resulting in stronger brand plans with clear connections between marketing investments, growth sources, and profitability.

Innovative asset launches are positioned to play a critical role in our strategic objective of reaching the 5th position in the Indian Pharmaceutical Market (IPM). **New Product Launch Excellence (NPLE)**, a structured capability-building intervention designed to institutionalise launch excellence practices across divisions, covered functions including Marketing, Medical Affairs, Commercial Excellence, and Market Access. The boot camp brought together teams enabling the launch agenda through multiple experiential activities, leadership briefings, internal facilitators (Subject Matter Experts (SMEs)), and external facilitators. This was supplemented by e-learning modules covering all functions supporting the launch agenda.

We remain committed to building a robust leadership pipeline. **Road to Leadership (RTL)** focuses on high-potential leaders, developing confidence in strategic judgement, financial acumen, people leadership, and change execution through



Building a future-ready workforce through continuous learning, leadership development and digital capability enhancement.

rigorous, business-integrated learning. **Emerging Leaders (EL)** complements this by enabling experienced leaders to operate with enhanced enterprise perspective, strengthening cross-functional collaboration, decision quality, and accountability beyond functional boundaries.

Both programmes emphasise application over instruction, integrating leadership development with business priorities through Individual Development Plans, cross-functional projects, structured mentoring, and senior-leader reviews.

Performance Management and Productivity¹⁷

Our Performance Enablement System (PES) links organisational mission, objectives, and targets with individual

employee aspirations to achieve shared goals. Managers and team members are encouraged to meet regularly to review performance, learning outcomes, and progress against targets.

A 360-degree Behavioural Assessment is mandatory for leadership roles and available to others on request, with feedback gathered anonymously from self, supervisors, colleagues, and other stakeholders. At year-end, managers conduct a formal review of goal achievement with inputs from project leaders and peers. They provide feedback on both results and behaviours, while employees can share perspectives and seek clarification.

The performance evaluation process encompasses all employees, featuring goal establishment and thorough performance assessments.

¹⁷ GRI 404-3

Employee Well-being and Benefits

We prioritise employee welfare during and beyond their tenure, ensuring our people feel supported at every stage of their professional journey and life transitions.¹⁸ Our Benevolent Fund extends meaningful support to employees and their families during significant life transitions, including retirement or loss of life of the employee. We have strengthened our policy to provide enhanced assistance based on employee tenure, guided by our Compassionate Survivor Policy.¹⁹ This comprehensive support includes variable pay disbursements, benevolent fund assistance, insurance benefits, and gratuitous payouts.

We recognise the unique challenges women face in balancing professional aspirations with personal responsibilities and are committed to providing thoughtful benefits that support women employees through every stage of life.



Leave Support

We understand that life's unexpected moments require flexibility and care. For medical emergencies within the family, childcare-related matters, or health issues requiring attention, employees can utilise "Family Care" leave. Employees with at least one year of tenure can take leave ranging from 3 to 12 months, allowing them the time and space needed to care for themselves and their loved ones.

All women employees, including trainees, can access fully paid maternity leave of up to 26 weeks, with a maximum of 8 weeks available

pre-delivery. We place no limit on the number of children for maternity benefits, honouring every journey into motherhood. Mothers are eligible for equal maternity benefits in surrogacy cases, recognising the many paths to building a family. Beyond the 26 weeks, new mothers receive the option of a month-long "Additional Maternity Leave", which is fully paid to manage health complications arising from delivery, pregnancy, or premature delivery.²⁰



Childcare Benefit (Crèche Facility)

All establishments maintain crèche and breast-feeding facilities, easing the transition for women returning to work while ensuring their infants receive nearby care and attention.



Reduced Working Hours

New mothers can utilise "off hours" for up to 2 hours daily for one year from delivery, based on their needs. Single parents can access this benefit until the baby reaches one year of age, supporting an eased return to work.



Survivor Support

In times of profound loss, our policies' support extends to employees' families, regardless of gender, if an employee passes away while in service. This includes higher education support for two surviving children, ensuring their futures remain secure during difficult times.

¹⁸ GRI 404-2

¹⁹ GRI 401-2

²⁰ GRI 401-3



Empowering the Communities Around Us

Our connection with society extends beyond mere responsibility. It is founded on care, trust, and a commitment to mutual advancement. Our Corporate Social Responsibility (CSR) initiatives are inspired by the vision of our founder, Dr. K. Anji Reddy, whose lasting commitment to giving back continues to guide our efforts. We lay our focus on areas that generate sustainable value such as education, livelihood, healthcare, and environmental sustainability, empowering individuals to lead meaningful, independent lives. By partnering strategically with grassroots organisations and NGOs, we strive to promote inclusive growth and enable communities to build resilient, self-reliant futures.

Key Focus Areas

- **Education:** Improving access to quality education for children from marginalised communities
- **Livelihood:** Equipping youth and persons with disabilities with employability skills, and supporting small and marginal farmers to improve their quality of life
- **Healthcare:** Ensuring accessible, affordable, and dependable community healthcare
- **Environmental sustainability:** Promoting sustainable agriculture and wildlife conservation

Material Topics Linked

- M7 Climate Change
- M10 Water Management
- M11 Affordability of Healthcare
- M12 Access to Healthcare
- M14 Community Well-being

₹ 1,124 Mn
CSR spent

~1,138,233
Lives benefited

CSR Highlights for FY2026

Livelihood

Enhancing economic resilience

Geographical spread:

Bihar, Karnataka, Telangana, Andhra Pradesh, Gujarat, Kerala, Madhya Pradesh, Assam, Chhattisgarh, Delhi, Haryana, Jharkhand, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal.

Social issue identified:

- Communities don't have access to livelihood options
- Lack of access to Industry-Aligned courses
- Lack of farmer awareness

Our positive contribution:

Our Youth Skilling and Healthcare Skilling programmes provided training and job placement support, improving livelihoods for marginalised communities, including persons with disabilities (PwDs). The livelihood initiatives also prioritised smallholder farmers, helping them increase their yields and incomes.

74,505
No. of individuals impacted

Education

Geographical spread:
Telangana, Andhra Pradesh, Karnataka, Uttar Pradesh, Bihar, Rajasthan, Assam, Jammu & Kashmir, Punjab, Chhattisgarh, Jharkhand, Himachal Pradesh, Madhya Pradesh, Gujarat, Odisha, Uttarakhand, Maharashtra, Tamil Nadu, Kerala.

Social issue identified

- Limited access to quality, holistic and inclusive education and Financial / Social constraints affecting continuity of education

Our positive contribution

Provide quality education and vocational training for children and youth from low-income households through Kallam Anji Reddy Vidyalaya (KARV) and Kallam Anji Reddy Vocational Junior College (KARVJC) and providing Scholarships through Sashakt Programme.

Strategically focus on holistic learning through enhancing foundational literacy, numeracy and WASH practices in the School Improvement Programme. Additionally, Equitable Education for Rural and Tribal Communities is given focus through engagement in enabling infrastructure for holistic learning as well as improving access to tribal schools.

44,412

No. of individuals impacted

Social issue identified

- Lack of collaboration in the field of science and research and disconnect between academia and industry

Our positive contribution

Strengthen India's research ecosystem and contribute towards building world-class institutions of the future

Health

Ensuring Accessible, Affordable and Inclusive Healthcare services

Geographical spread
Andhra Pradesh, Telangana, Karnataka, Maharashtra, Delhi, Gujarat, Tamil Nadu, Kerala

Social issue identified

- Limited healthcare access and infrastructure
- Strained public health systems

Our positive contribution

We strengthened the existing healthcare system by enhancing diagnostic and clinical capabilities, and brought care into the community through outreach services and awareness sessions to promote better health practices. In addition, we provided doorstep healthcare and hospice care services. As part of the health initiatives, free reconstructive surgeries and mental health services were also provided.

960,582

No. of individuals impacted

Environment

Ecosystem Restoration and Protection

Geographical spread:
Andhra Pradesh, Madhya Pradesh, Uttar Pradesh, Bihar, Telangana, Meghalaya

Social issue identified

- Labour-Intensive farming with inefficient and unsustainable use of resources
- Deterioration/degradation of forest ecosystem

Our positive contribution

We reduced agriculture's environmental footprint while increasing yields. Our environmental initiatives also included restoring degraded forest land and protecting and enhancing biodiversity through active community engagement.

Impact metrics

82.1 bn

Litres of water saved

96,797 tCO₂eq

Reduced

420.89

Acres of land restored

238,085

Acres of land practising regenerative agriculture

22,090

Trees planted

58,734

Members of the community reached

CSR Governance

The Sustainability and CSR Committee updates the Board on discussions, recommendations, and overall CSR and ESG efforts. A Corporate Social Responsibility (CSR) Policy is developed and recommended to the Board, outlining activities as specified in Schedule VII of the Companies Act, 2013. The Committee guides and monitors the company's CSR initiatives, ensuring compliance and addressing community needs. An Annual CSR Action Plan is prepared and periodically

reviewed, detailing projects for the financial year. Independent agency conducts impact assessments on a need basis and the reports are presented to the Committee.

CSR Strategy and Future Outlook

Our CSR initiatives follow a long-term strategy focused on addressing community needs. Programmes are developed and executed through consultations with key stakeholders, including community members, implementation partners, and internal

teams, ensuring they are relevant, effective, and sustainable. These efforts are concentrated on specific thematic areas such as Education, Livelihoods, Health, and Environment, that align with Schedule VII of Section 135 of the Companies Act, 2013, as well as relevant United Nations Sustainable Development Goals such as





Education

44,412

Individuals impacted

We are dedicated to providing quality education to underserved communities through focused, scalable programs. Our initiatives range from early education and Science, Technology, Engineering, and Mathematics (STEM) scholarships to vocational training, fostering holistic learning and skill development, particularly for girls and first-generation learners. Our flagship programmes help establish a strong academic foundation and create pathways to higher education and employment. We collaborate with

partners to ensure these interventions have lasting, inclusive impact.

We established the Kallam Anji Reddy Vidyalaya (KARV) to increase access to quality education at Chandanagar, Hyderabad in 2001, which enrolled over 2,243 students from Kindergarten to Grade X in FY2026. We also supported more than 761 students through KARV-Junior College, helping youth from low-income families pursue employment-oriented technical education and prepare for higher studies.

Our School Improvement Programme (SIP) enhances education quality and supports growth in schools by improving foundational literacy, numeracy, and Water, Sanitation, and Hygiene (WASH) awareness. SIP is active in 100 government schools across Telangana, Andhra Pradesh, and Himachal Pradesh, benefiting 35,446 students.

In partnership with the Kakinada Engineering Alumni Trust Services (KEATS), our projects at the Andhra Pradesh AP Tribal Welfare Residential School and Junior College, Busurajupalle have transformed the lives of 1,049 tribal girls by providing vital infrastructure for STEM education and digital literacy. This initiative is projected to benefit approximately 6,000 tribal girls over the next five years. In addition we have benefited 1,383 tribal children in Mysore District Karnataka through the Equitable Education programme. Through the Sashakt scholarship and mentorship programme, we empower talented women and girls from disadvantaged backgrounds aspiring to STEM careers. This year, we supported 179 Sashakt Scholars in engineering, sciences and MBBS.



Livelihood

74,505

Individuals impacted

We are committed to enhancing economic resilience by facilitating access to meaningful livelihoods for youth, persons with disabilities, and small and marginal farmers. Skill development programmes run through Dr. Reddy's Foundation and the Centre for Sustainable Development equip individuals with employability, green, and sector-specific skills. In FY2026, over 2,454 youth received training.

The GROW programme, targeting persons with disabilities, trained more than 836 individuals in FY2026. Additionally, a healthcare skilling programme empowered 846 women from low-income families to secure employment as allied health workers.

Our agriculture-focused initiatives, Making Integrated Transformation for Resourceful Agriculture (MITRA) and Farmer Field Schools, promote sustainable farming practices, peer learning, and increased incomes.

In FY2026, over 56,477 farmers were trained in advanced agronomic methods. Furthermore, 6,000 tribal farmers from 198 villages in Araku and Dumbriguda received training in the quality harvesting of organically cultivated coffee.



Healthcare

960,582

Individuals impacted

Individuals impacted

Primary healthcare remains essential for delivering accessible, quality medical services. Collaborating with Dr. Reddy's Foundation and District Public Health Administration, we upgraded 8 Primary Health Centres to enhance service delivery this year, bringing the total to 25 upgraded PHCs across the district. In FY2026, over 250,689 people accessed outpatient services, and 599,081 laboratory tests were conducted.

Our Community Health Intervention Programme (CHIP), implemented with the NICE Foundation, operates across 158 villages in Andhra Pradesh. During FY2026, healthcare services reached 351,946 patients through 519,549 consultations.

Additional healthcare initiatives include the Life at Your Doorstep programme, providing palliative care, and the Roshni Helpline, which supports mental well-being.



Environment

58,734

Individuals impacted

Individuals impacted

Our environmental programmes emphasise climate-resilient agriculture, biodiversity conservation, and wildlife protection. Under the Action on Climate & Environment (ACE) initiative, 13,193 acres are integrated under Agri-biologics and 1,508 acres have been brought under agroforestry in FY2026, conserving 82.1 bn litres of water and reducing carbon emissions by 96,797 tonnes of CO₂ eq.

The Garo Green Spine Conservation project in Meghalaya secured over 523 hectares as Village Reserve Forests, bringing the total to over 870 hectares and restored 40 hectares of degraded habitat, fostering wildlife corridors and community-led conservation efforts.



Employee Volunteering

5,110

Employee volunteering hours

Individuals impacted

Through the Dr. K. Anji Reddy Spirit of Giving programme, employees actively contributed to community development in education, healthcare, environment, and livelihoods. To enhance participation, we have implemented various measures that support and motivate employee involvement. Flexibility plays a key role, offering volunteering opportunities on both weekdays and weekends in diverse formats such as virtual sessions, in-house events, outdoor activities, and community engagement. This approach enables employees to get involved in ways that suit their individual personal and professional schedules.

In FY2026, the Spirit of Giving programme engaged 3,370+ volunteers, who collectively contributed 5,110+ volunteering hours, positively impacting 9,530+ beneficiaries. Further details on the impact of our community-focused projects are available in Annexure IV-A of the Board's Report.



Building a Greener Tomorrow

Our environmental strategy is woven into the fabric of how we operate, innovate, and grow. FY2026 represents a year in which several long-term commitments reached inflection points: coal has been fully eliminated from our primary boilers, our renewable energy architecture has been fundamentally restructured for long-term security, and we became the first company in India to achieve a group-level Alliance for Water Stewardship (AWS) certification.²¹

Across every dimension of our environmental stewardship journey, from decarbonisation and water resilience to biodiversity and circular waste practices, we moved beyond incremental gains toward systemic transformation.

Priority Areas

- Renewable energy transition and long-term energy security
- Decarbonisation across Scope 1, 2, and 3
- Water resilience
- Waste management
- Green chemistry and product stewardship
- Biodiversity
- Green buildings
- Responsible packaging

Material Topic Linkage

- M7 Climate Change
- M8 Energy Management
- M9 Waste Management
- M10 Water Management
- M16 Process Innovation

There are no pending non-compliances with applicable environmental laws or regulations in the reporting year.²²

The only Indian Pharma who has committed

Net Zero

by FY2045

17

Manufacturing facilities are certified under ISO 14001:2015 and ISO 50001:2018

Metrics and Targets

We track climate performance against the following commitments:

Target	Commitment	Target Year	FY2026 Progress
Near-term Goals			
Carbon Neutrality ¹	Achieve carbon neutrality for Scope 1 & 2 emissions	FY2030	72% of our operation are carbon neutral
Renewable Power	Transition to 100% renewable power	FY2030	78% of renewable power has being consumed in our operations
Scope 3 Emissions ²	Reduce Scope 3 emissions by 12.5% from a FY2021 baseline	FY2030	12% has been reduced
Water Positivity	Maintain water-positive status (achieved in FY2023)	CY2025	We continue to be water positive
Groundwater Reduction ³	Reduce groundwater withdrawal by 30% relative to FY2025	FY2030	12% reduction in ground water withdrawal with respect to FY2025
Sustainable Supply Chain	100% ESG-compliant strategic suppliers	FY2030	94% of our strategic suppliers assessed
Near-term emissions target ⁴	Reduce absolute Scope 1 & 2 emissions by 80% w.r.t FY2023	FY2030	50% absolute reduction in Scope 1 & 2 emissions
	Reduce Scope 3 emission intensity by 51.6% w.r.t FY2023	FY2030	33% intensity reduction in Scope 3 emissions

Long-term Goals

Net Zero	Achieve Net Zero greenhouse gas emissions across the value chain	FY2045
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¹ Carbon Neutrality goal will be dropped from FY2027 as we are advancing our target to SBTi NetZero

² Scope 3 emissions goal will be dropped from FY2027 as it will be replaced with Near Term SBTi Targets

³ Reduction in ground water withdrawal is a new goal from this reporting year

⁴ As committed to Net Zero, we have added near-term emissions target from this reporting year

²¹ GRI 3-3

²² GRI 2-27



Powering a Low-Carbon Future

Our energy and emissions strategy rests on three levers:

- 1. Energy architecture:** Shift to Inter State Transmission System-based (ISTS) captive renewables via long-term JVs, eliminate coal in primary boilers, and consolidate the portfolio to secure round-the-clock clean power for the next 25 years.
- 2. Green technology:** Improve efficiency and recovery through HHO-enhanced boilers, closed-loop RO, digital ZLD, and exploration of green hydrogen and alternative fuels.
- 3. Air emissions:** Phase out fossil fuels, deploy advanced controls (thermal oxidisers, multi-stage scrubbers), and track all pollutant and ODS parameters to cut emissions and build cost resilience.

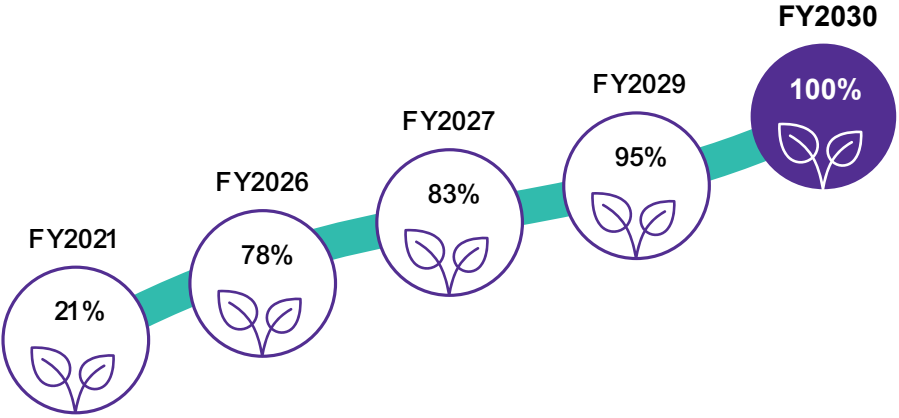
Redefining our energy architecture

In FY2026, we moved from a fragmented mix of PPAs to ISTS-based captive renewable power through JVs, enabling reliable 24/7 supply with at least 70% CUF. Every new contract signed this year carries a 25-year tenure, locking in both supply certainty and cost predictability for the long term.²³

We are working toward 100% renewable electricity across operations within the next four years. Currently, six facilities already run on 100% renewable power: three sites in Baddi, and one each in Hyderabad, Mirfield (UK), and Cambridge (UK).

Additionally, we are securing green attributes through our renewable contracts to cover the remaining 20–25% of consumption not yet directly sourced from renewables. This supports our near-term goal of 100% renewable power consumption.

Renewable Power Trajectory



Renewables as on FY2026

49 MW

Third-party PPA's (Solar & Hydel)

7.7 MW

CoGen

6 MW

Roof Top solar plants

21.38 MW

Captive solar plants through JV

21.4 MW

Round the clock (RTC power) supply through solar & wind hybrid through JV



Round the clock (RTC) power supply through solar & wind hybrid through JV 20 MW (Agreements signed off, power supply will commence by FY2028)



Progressing towards 100% renewable electricity consumption across operations within the next four years.

FY2026 also delivered the culmination of a multi-year fuel transition. Every primary operating boiler across our manufacturing network has now been converted to biomass, briquettes, or piped natural gas. Coal is no longer part of the operational fuel mix. We have invested ₹ 30 crore in energy efficiency capital expenditure during the year, generating total savings of ~₹ 36 crore.²⁴

Green Technology at the Frontier

We are deploying technologies to improve energy use and recovery across operations:

- HHO augmentation:** ~10% boiler-efficiency improvement at Formulations Injectable Plants FTO-7 and FTO-11.
- Steam condensate recovery:** Increased from 50–55% to 65–80%, raising feedwater temperature from 50–55°C to 75–80°C and reducing fresh water and fuel demand.
- Closed Circuit Reverse osmosis (CCRO):** Implemented at Biologics and FTO-11, using 30–40% less energy than conventional RO.
- Digitalisation of ZLD:** Automation at Chemical Technical Operations CTO-2 and FTO-11 (and ongoing at FTO-7) is delivering 30–40% optimisation in energy and chemical usage.

²³ GRI 3-3

²⁴ GRI 302-4

²⁵ GRI 305-7

²⁶ GRI 305-6

²⁷ GRI 305-5

Looking ahead, we are exploring green hydrogen, piloting plastic waste-derived fuel as a fossil substitute, and expanding our biomass feedstock base (e.g., eucalyptus dry leaves) to strengthen supply resilience.

Air Emissions

The transition away from fossil fuels is yielding measurable co-benefits beyond carbon reduction. As a result of the phasing out of coal and furnace oil, we have recorded a corresponding decline in SO₂ emissions. We track all air pollutant parameters on a plant-wise basis in line with location-based statutory norms.²⁵

During the year, we strengthened abatement infrastructure across sites:

- Dry scrubbers, double-stage scrubbers, and activated scrubbers were deployed for particulate and pollutant control.
- Air pollution control systems were further upgraded across facilities.

Combined with the shift to cleaner fuels, these measures are helping reduce our air emissions profile.

ODS emissions mainly arise from refrigerant recharging in cooling equipment and from fire suppression systems.

In FY2026, our emissions from Ozone Depleting Substances were 1.88 tCFC11e, as compared to 1.83 tCFC11e in FY2025 and 2.15 tCFC11e in FY2024.²⁶

Accelerating Decarbonisation

Our decarbonisation strategy is built around three key levers: reduction of GHG emissions based entirely on actual operational improvements with no carbon offsets purchased or planned until our net zero horizon in 2045; science-based near-term targets of 80% absolute Scope 1 and 2 reduction and 51.6% Scope 3 intensity reduction by FY2030 w.r.t. FY2023, progressing to 90% absolute reduction across all scopes by FY2045.

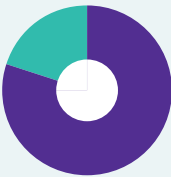
Value chain engagement through supplier environmental screening, maturity assessments covering 80% of procurement spend, and a hybrid measurement methodology to progressively strengthen Scope 3 emissions accuracy.

Reduction of GHG Emissions

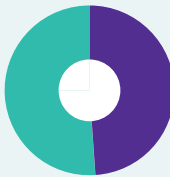
Our emission reductions in FY2026 are entirely based on actual operational improvements. No carbon offsets have been purchased, and we do not plan to consider offsetting mechanisms until we approach our net zero horizon in 2045.²⁷ Details on our efficiency and reduction initiatives are provided in subsequent sections.

Emissions Reduction Targets

Near-term Targets w.r.t. FY2023 (FY2030):

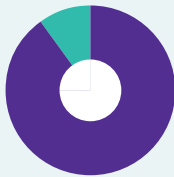


Absolute reduction of
80%
in combined Scope 1 and
Scope 2 GHG emissions

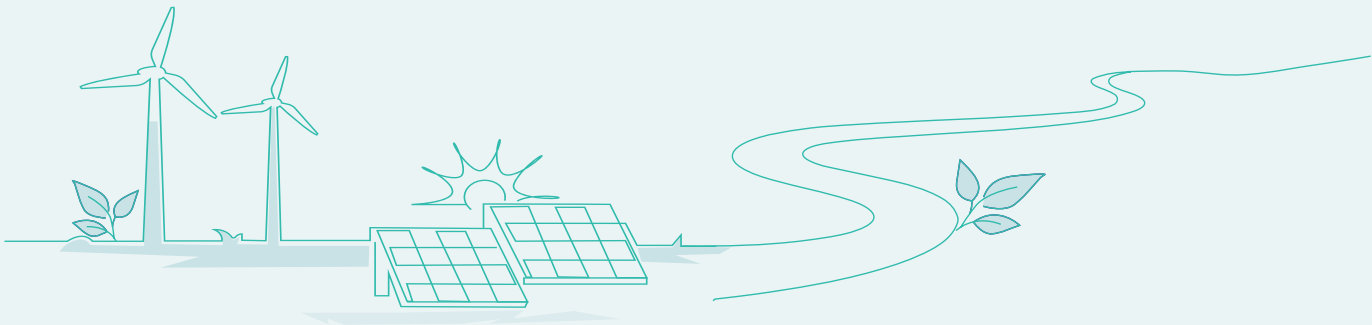


Intensity reduction of
51.6%
in Scope 3 GHG emissions

Long-term Target (FY2045):



Achieve
90%
absolute emissions reduction
across all emission scopes
(Scope 1, 2, and 3)



This science-based approach to decarbonisation aligns with our integrated strategy to create long-term value for stakeholders while fulfilling our environmental responsibilities and contributing to the transition toward a low-carbon economy.

Engaging the Value Chain

Scope 3 emissions extend beyond our direct operational control and require a collaborative approach across the value chain. We employ a hybrid measurement methodology, combining spend-based estimation with supplier-specific emission data, to progressively strengthen the accuracy of our value chain footprint assessment.²⁸

As part of our commitment to reducing value chain emissions. We have captured Scope 3 baseline for 215 high spend suppliers, including 123 suppliers based on publicly available data and 92 suppliers through self-reported

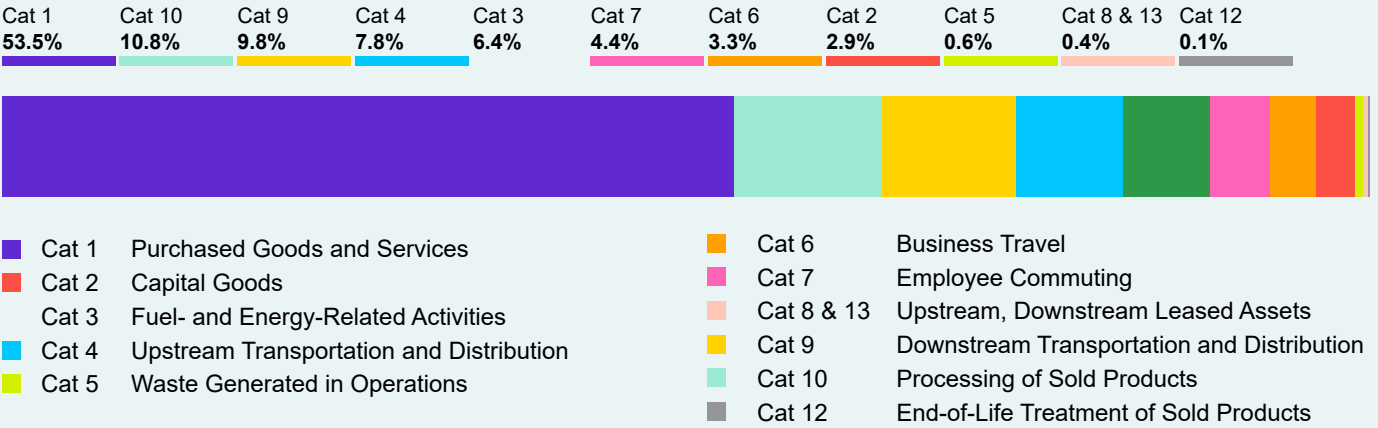
information and conducted weekly supplier trainings from January to March 2026. These sessions focused on practical measures to reduce Scope 1 and 2 emissions, drawing from our own experience. Key levers include modal shifts (air-to-sea), logistics optimisation, transition to CNG vehicles, supplier-level spend-based accounting, local sourcing, renewable energy adoption, biofuels, and packaging efficiencies. Notably, 71% of our sourcing is local, supporting lower transport emissions and enhanced supply chain resilience.

New suppliers are screened against environmental criteria as part of our

onboarding process. In FY2026, 42 suppliers were screened against environmental and social criteria. A supplier sustainability maturity assessment framework evaluates significant suppliers covering 60% of procurement spend against defined environmental requirements.²⁹

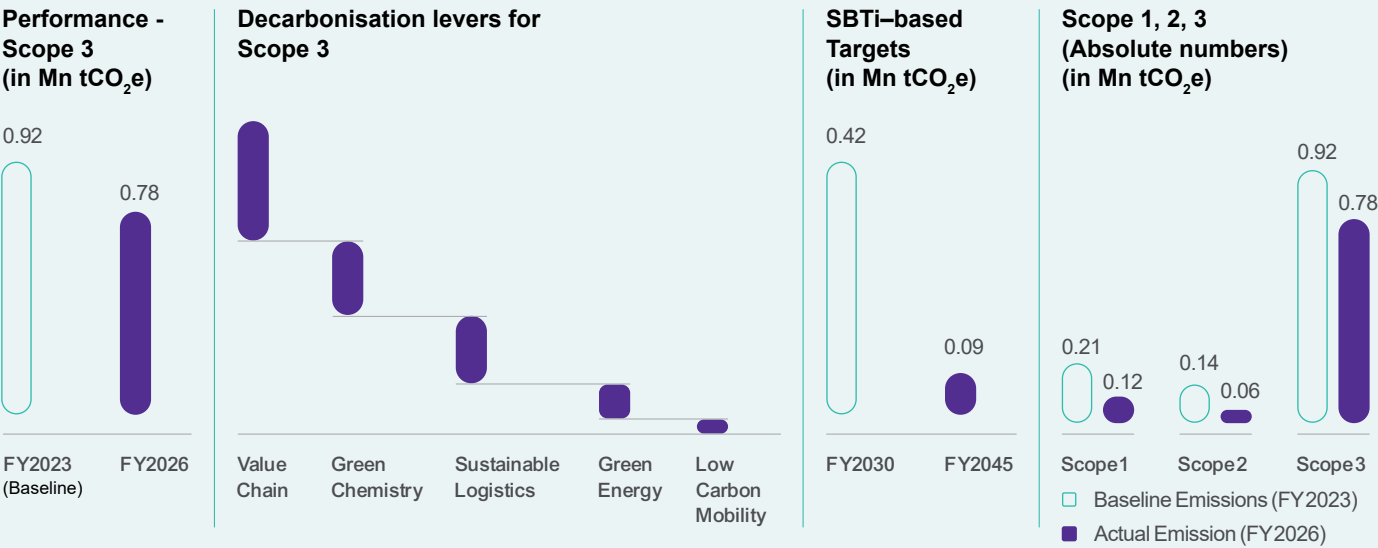
²⁸ GRI 305-3
²⁹ GRI 308-1

Category-wise breakup Scope 3 Emissions



Climate Commitment and Net Zero Transition

We have established ourselves as the first Indian pharmaceutical enterprise to adopt a science-based Net Zero emissions target by FY2045. This strategic commitment underscores our dedication to advancing environmental stewardship and sustainable business practices while contributing to global climate action.





Understanding Climate-Related Risk

In FY2025, we completed an IFRS S2-aligned climate risk and opportunity assessment using baseline, 2030, and 2050 scenarios. Physical risks were evaluated under IPCC AR6 pathways, and transition risks under NGFS Net Zero 2050 and NDC scenarios.

Heat stress emerged as the most widespread physical risk, affecting productivity, equipment, and storage across Indian manufacturing sites and US/Brazil warehouses. Water scarcity is an increasing concern for Hyderabad, while flooding and cyclones pose major property risks, especially for four manufacturing assets, Vizag SEZ, and Srikakulam.

Key transition risks include possible expansion of carbon pricing to Scope 3, stronger EU/UK supply chain decarbonisation expectations, and greenwashing exposure. Failure to cut Scope 3 supplier emissions could cost ₹ 1,084 mn (~US\$ 13 mn) by 2030 under a 1.5°C scenario.

Renewable energy substitution through our ISTS-based captive JV could deliver ₹ 1,404 mn (~US\$ 17 mn) in gains by 2030. Additional opportunities include low-carbon fuels, green chemistry, freight shifts, and supplier decarbonisation.

Priorities include embedding climate risk into planning and ERM, advancing an SBTi-aligned transition plan, setting adaptation metrics, strengthening Scope 3 action, and tracking carbon pricing and disclosure regulations.

Deepening Water Resilience

Our water resilience strategy is built on five levers: improving water efficiency through process optimisation and conservation; diversifying sources with desalinated, surface, treated grey, and rainwater; increasing recycle and reuse to raise recovered water share; deploying technologies such as membrane bioreactors, CCRO, low-temperature evaporators, and digitalised ZLD systems; and advancing beyond-the-fence initiatives like catchment stewardship, pond rejuvenation, and sustainable agriculture partnerships to strengthen shared water resilience.

Interactions with Water as a Shared Resource

Water stewardship has evolved from a conservation agenda into an integrated resilience strategy for us. We achieved water positivity at the organisational level in FY2023, two years ahead of target, and have sustained that status since. While we continue to be water positive, we are also incorporating a new organisational goal which centres on reducing groundwater withdrawal by 30% by 2030, from the baseline of FY2025.³⁰

Our water use includes industrial processes, cooling, steam generation, domestic needs, and gardening. We source water from surface and groundwater, municipal supply, desalinated water, treated grey water, and harvested rainwater, while managing each source to minimise depletion, especially in water-stressed areas.

A major milestone in FY2026 was implementing the Alliance for Water Stewardship (AWS) Standard 2.0 and achieved a group certification across five sites in the Pydibhimavaram cluster, reflecting our commitment to catchment-level stewardship beyond compliance.

Water Efficiency

During the year, we implemented more than 60 water-efficiency projects across our manufacturing facilities, including recovery and reuse. Together, these initiatives conserved 107,554 KL of water in FY2026 and improved water intensity by 4%, to 5.82 KL/₹ Mn from 6.06 KL/₹ Mn in FY2025.

Diversifying Our Water Sources

Based on our water risk assessment, we identified sites where alternative sources can meaningfully replace freshwater use.

At Bachupally, Hyderabad, ~16,234 KL of treated grey water from nearby communities is now used annually. Through "Catch the Rain 2.0", multiple sites harvested about 90,249 KL of rainwater. At Pydibhimavaram, we partnered with neighbouring industries to source desalinated water by pipeline, with seawater consumption reaching 241,085 KL during the year. None of our sites withdraw water from protected water bodies or Ramsar-listed wetlands.

A dedicated desalination project is under development at Pydibhimavaram, and at Miryalaguda, we completed a reservoir water sourcing project that is expected to replace groundwater use from FY2027 onward. Together, these initiatives strengthen long-term water security and improve resilience to site-specific water stress.

Recycle and Reuse

The share of recycled and reused water in our total consumption improved from 54.1% to 56.3% in FY2026. This was achieved through a combination of measures: improving the efficiency of our effluent treatment plant, reverse osmosis systems, enhancing process water reuse from reject streams, increasing steam condensate recovery.

Technology Interventions

During the year, several technology deployments improved water quality, recovery, and energy use. Membrane bioreactors were introduced at four ZLD facilities and two sewage treatment plants, improving treated water quality and downstream RO performance.

At our Formulation Injectable Plant (FTO-11), a fully digitalised and automated ZLD facility was commissioned.

Beyond the Fence

Our water stewardship extends beyond our facilities into the catchments where we operate. We have implemented integrated water resource management around key manufacturing sites, including maintenance of rainwater harvesting structures, support for sustainable agriculture, and community engagement through water ambassador programmes. In the Pydibhimavaram cluster, key suppliers are also engaged through catchment-based capacity-building initiatives.

³⁰ GRI 303-1



In FY2026, desilting of ponds resulted in groundwater recharge of 143,603 KL. In Andhra Pradesh's Srikakulam and Vizianagaram districts, we worked with over 1,500 farmers on Alternate Wetting and Drying and Zero Tillage, conserving 1,721,000 KL of water across more than 2,500 acres.

Management of Water Discharge-Related Impacts

We do not discharge wastewater directly into the environment. We are working on 100% ZLD system in India. Currently, 94% of Indian operational manufacturing facilities and 80% of global operational manufacturing facilities are ZLD and the remaining sites discharge wastewater to Common Effluent Treatment Plants after primary treatment as per regulatory

standards. All discharge is monitored for compliance with prescribed limits for parameters including TDS, pH, BOD, and COD.³¹

Closing the Loop on Waste

Our waste strategy is driven by four key levers: materials and resource consumption management through green chemistry; solvent recovery and circularity; process improvements and operational excellence, and waste management governance and compliance.

Materials and Resource Consumption

Pharmaceutical manufacturing is, by nature, material-intensive. Our operations consume a range of raw materials, active pharmaceutical

ingredients, excipients, solvents, catalysts, and packaging materials, each of which carries both a cost and an environmental footprint. Managing these inputs responsibly is central to operational efficiency and environmental stewardship alike. Through green chemistry, we work to reduce material consumption per unit of output on an ongoing basis.³²

Our green chemistry approach is built on preventing waste at the source rather than managing it later. By embedding Process Mass Intensity (PMI) optimisation into development and manufacturing, we improve yields, increase solvent and catalyst recovery, and reduce hazardous waste generation.

³¹ GRI 303-2

³² GRI 3-3

During the year, new US DMF filing molecules achieved PMI reductions of 20–50% from early development to technology and validation stages, driven by better yields, solvent recovery, and catalyst reuse. In FY2026, 14 products were assessed through the Chemistry Gate Clearance process, up from 8 last year. This process evaluates multiple synthetic routes and selects the one with the lowest Reaction Mass Contribution and strongest green chemistry performance. All 14 products were developed with minimal use of acetonitrile and other hazardous solvents.

We also assessed six high-volume molecules for PMI and found an overall waste reduction of 17.91% in FY2026. Our Green Chemistry Index continues to guide lower-impact product development, supported by flow chemistry, retrosynthetic ML-based tools, and SYNTHIA to shorten routes and improve sustainability.

Solvent Recovery and Circularity³³

Solvent recovery programmes across our manufacturing sites help recapture and reuse a significant share of solvents, with increasing recycled input remaining a key priority. During the

year, spent mixed solvent and distilled solvent waste fell by 7% due to improved stripper performance in the ZLD area, which enhanced moisture control and specific gravity optimisation.

Palladium recovery also advanced during the year. We now achieve up to 90% recovery from heterogeneous catalyst systems, and with vendor support, about 50% recovery from homogeneous palladium-on-carbon systems used in products, improving both sustainability and cost efficiency.

Process Improvement & Operational Excellence

Process efficiency and operational excellence focus on improving yields and optimising resource use through advanced manufacturing and digitisation.

During the year, date-expired materials, off-specification products, and discarded chemicals fell by 11% due to better production planning, forecasting, and inventory management.

ETP and STP sludge generation decreased by 17% following installation of sludge dryers, improved screw press efficiency, and automated chemical dosing in wastewater treatment.

Waste Management Governance and Compliance

Pharmaceutical manufacturing generates both hazardous and non-hazardous waste streams. Hazardous waste includes spent solvents, process residues, chemical sludge, and contaminated materials. Non-hazardous waste includes glass, metal scrap, wood waste, boiler ash, and general office waste. The improper management of either category poses risks to ecosystems, groundwater, and human health which is why our waste management strategy is built on prevention, recovery, and responsible disposal, with multi-level controls governing every stage from generation through final disposal.³⁴ Our governance and compliance systems support responsible waste handling through regulatory adherence, digital waste tracking, target setting, and employee engagement. This year, over 98% of total waste was diverted from landfill and sent to recyclers or cement kilns.

³³ GRI 301-2

³⁴ GRI 306-1, 306-2





Product Stewardship and Life Cycle Thinking

We completed cradle-to-gate LCAs for eight products, five APIs and three formulations, through an independent agency in line with ISO 14044:2006. These included key products such as Belumosudil, Valsartan/Sacubitril, Ramipril, Pregabalin, Omeprazole USP, and three formulations. Global Warming Potential emerged as a key hotspot, and the findings are informing process improvements. We aim to complete LCAs for 80% of top 20 API products by production volume, by 2030.

Building Environmental Capability

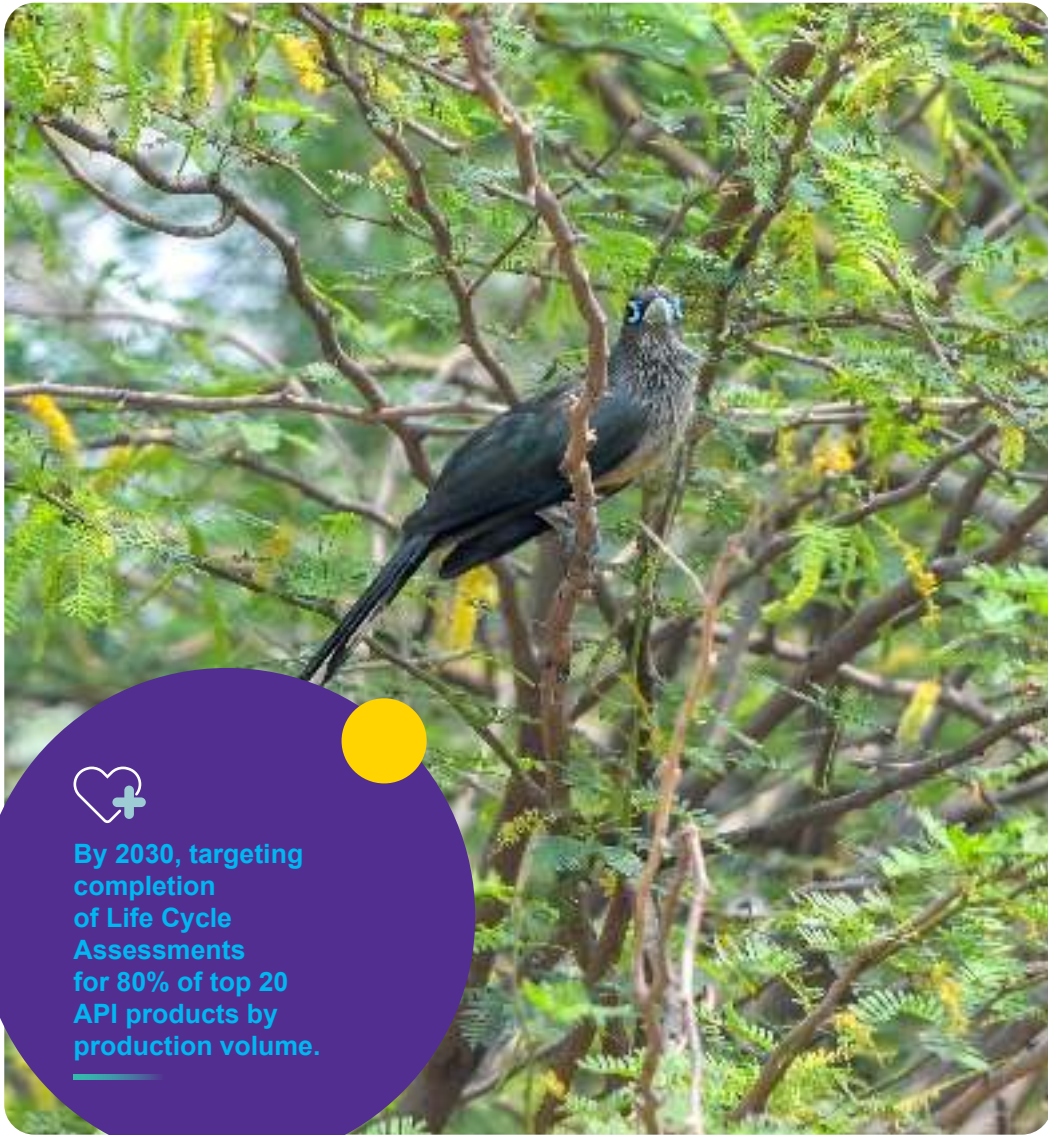
We also continue building environmental capability through site-level ambassador programmes for water, energy, and waste. All employees complete mandatory annual EHS training, including environment-focused content.

Data Infrastructure

Environmental data is captured through a dedicated digital platform at site level, consolidated at the organisational level, and reviewed monthly through a validation cycle. Enterprise-level data is finalised by end-April each year, with the platform upgraded annually to improve accuracy and align with changing reporting requirements.

Biodiversity: From Assessment to Action

FY2026 marked a foundational year for biodiversity governance. We completed a comprehensive assessment of our nature-related dependencies and impacts (including biodiversity) across R&D and manufacturing operations in India and key international locations, aligned with the Taskforce on Nature-related Financial Disclosures (TNFD v1.0) framework and structured using the LEAP methodology (Locate-Evaluate-Assess-Prepare)



to inform risk, opportunity and decision-making process.³⁵

Understanding Our Footprint

The assessment systematically evaluated our dependencies on key ecosystem services including freshwater availability and flood regulation as well as potential impacts on nature driven by operational pressure such as from land use, water abstraction, the presence of invasive species, and proximity to sensitive

habitats and IUCN red-list species. The assessment revealed a nuanced, location-specific understanding of nature-related risks and opportunities from water stress and climate-related hazards to biodiversity sensitivities.³⁶

Our TNFD/LEAP assessment identified freshwater availability as a high material risk across most assessed locations, while flood regulation risk was rated

³⁵ GRI 3-3:

³⁶ GRI 101-2

high in Mirfield (UK) and medium in Baddi, Bangalore, USA, and Mexico.

Nature-related risks were classified as physical, transition/regulatory, and reputational, covering issues such as freshwater dependence, flooding, compliance, protected areas, and rising stakeholder expectations. A four-scenario analysis showed outcomes ranging from stable operations under proactive management to disruption and potential asset closures under severe ecosystem degradation, highlighting the importance of managing nature and water risks for business continuity.

Establishing a Baseline

Biodiversity baseline studies were conducted across five clusters, Bangalore, Miriyalguda, Miyapur, Bachupally, and Pydibheemavaram, documenting flora, fauna, and habitat conditions to establish benchmarks for ongoing monitoring.

On-Ground Action

While broader action plans are set for phased rollout, FY2026 saw concrete interventions including expansion of native species greenbelts, removal of invasive species, rejuvenation of ponds for groundwater recharge and habitat creation, and additional rainwater harvesting infrastructure. Green belt zones were also developed to serve as outdoor meeting and recreational spaces integrating biodiversity into the everyday working environment.³⁷

Conservation and Restoration Beyond Our Boundaries

We have partnered with 1t.org to plan, implement, and monitor conservation and restoration interventions across Vizianagaram and Srikakulam districts in Andhra Pradesh.

Since FY2024, around 125 acres of mangroves have been restored in Kondurupalem and Duggarajupatnam through collaboration with the ICFRE Coastal Ecosystem Centre and forest departments, using satellite imagery, field observations, and secondary data to identify sites.

Through our agroforestry programme, we support farmers with low-cost saplings, training, and three-year extension support using mixed-species models such as mango, cashew, orange, and lemon. Since FY2022, the programme has reached over 1,000 farmers across about 2,000 acres in Vizianagaram and Srikakulam.

No IUCN red listed species (such as critically endangered, endangered, vulnerable, near threatened) have been observed in and around our operations.³⁸



Engaged 1,000+ farmers across ~2,000 acres under agroforestry programmes since FY2022, supporting livelihoods, biodiversity and carbon sequestration.

Green Building

We are implementing green building principles to enhance resource efficiency and promote a sustainable built environment. Seven of our company sites have received IGBC certification, and our FTO 11 formulations manufacturing facility has been awarded LEED Platinum certification for its non-oncology block.

Sustainable Packaging³⁹

Extended Producer Responsibility (EPR) obligations apply to our operations, and our waste collection plans are aligned with the EPR plan submitted to the Central Pollution Control Board.

We continue to reduce packaging material intensity through design changes that remove unnecessary layers, lower material weight, and replace conventional materials with lighter or more sustainable options without affecting product integrity or compliance.

In FY2026, nine sustainable packaging initiatives were implemented across formulation sites. These included reducing leaflet size for select export markets and replacing some with QR codes, removing carry straps for select US SKUs, lowering carton grammage, reducing aluminium foil thickness across two high-volume lines, replacing child-resistant caps with tamper-evident caps where permitted, and substituting glass bottles with PET for a syrup product.

Together, these initiatives generated savings of about ₹1.94 crore during the year. All tertiary packaging materials remain recyclable or reusable, and we continue to identify further opportunities for lightweighting, material substitution, and layer elimination.

In addition, reclaimed products and packaging redesign, including QR code adoption, saved 48 tonnes of paper and 22 tonnes of plastic.

³⁷ GRI 101-4

³⁸ GRI 101-4

³⁹ GRI 301-3

Leading Responsibly

Our governance framework is built on a foundation of ethics, compliance and disciplined risk management across every market we operate in. Transparency and accountability are central to how we safeguard stakeholder interests and guide responsible decision-making at every level of the organisation. As the regulatory landscape evolves, our leadership remains proactive in adapting our practices to maintain the trust and confidence of all stakeholders. This approach is reinforced by our commitment to delivering sustainable long-term value while strengthening the operational resilience of the business.

Priority Areas

- Business Ethics and Regulatory Compliance
- Risk Management
- Product Quality Management and Pharmacovigilance
- Human Rights
- Supply Chain Management
- ESG Governance

Material Topic Linkage

- M1 Product Quality
- M3 Cyber Security
- M4 Compliance
- M5 Business Ethics
- M15 Supply Chain Management
- M17 Human Capital Management

Governance Principles

Our governance framework sets the foundations for responsible business conduct and helps us achieve our strategic targets



Board Composition and Expertise

The Board is appropriately composed with a balance of diversity, independence, industry knowledge, skills, and expertise.



Timely information flows

The Board and its Committees receive accurate and timely information on a proactive basis, enabling them to discharge their fiduciary responsibilities effectively.



Ethical Business Conduct

We hold ourselves to the highest standards of ethical conduct across the Board, management, employees and business partners.



Risk Management and Internal Controls

Robust internal controls, risk management systems and financial reporting processes are firmly embedded across our operations.



Shareholder Rights

We are committed to safeguarding and enabling the exercise of shareholders' rights.



Detailed Disclosures

We ensure that material financial and non-financial information is disclosed to stakeholders in a timely, adequate and accurate manner.

Our policies

Our policies establish a strong governance framework that fosters transparency and accountability across all operations.

Key policies available on the website of the company

- Code of Business Conduct and Ethics
- Policy on the determination of materiality of event or information
- Board Committee's Charter and primary responsibilities
- CSR Policy
- Policy on determination of Material Subsidiaries
- Dividend Distribution Policy
- Human Rights Policy
- Anti-bribery and Anti-corruption Policy
- Ombudsperson Policy (Whistle Blower Policy)
- Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions
- Safety, Health and Environment Policy and principles
- Claw Back Policy (Recovery Policy)
- Nomination, Governance and Compensation Policy
- Tax Transparency Report
- Global Third Party Code of Conduct
- Global Data Privacy Policy
- Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information
- Biodiversity Policy
- Global Marketing Code
- Energy Policy
- Advocacy and Public Policy
- Archival Policy
- Group Tax Policy
- Board Diversity Policy
- Prevention of Sexual Harassment Policy
- Water Stewardship Policy

Key policies available on the intranet platform of the company

- Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons
- Business Continuity Management Policy
- Information Security Policy
- Communications Policy
- Internal Disclosure Guidelines for disclosure of material events or information
- Enterprise Risk Management Policy
- Internal Audit Charter
- Global Trade Sanctions Policy
- Conflict of Interest Policy
- Global Anti-Trust and Competition Law Policy
- Fraud Risk Management Policy
- Purchase Policy
- HR Policies
- Group Governance Policy

Governance Structure

Board governance structure

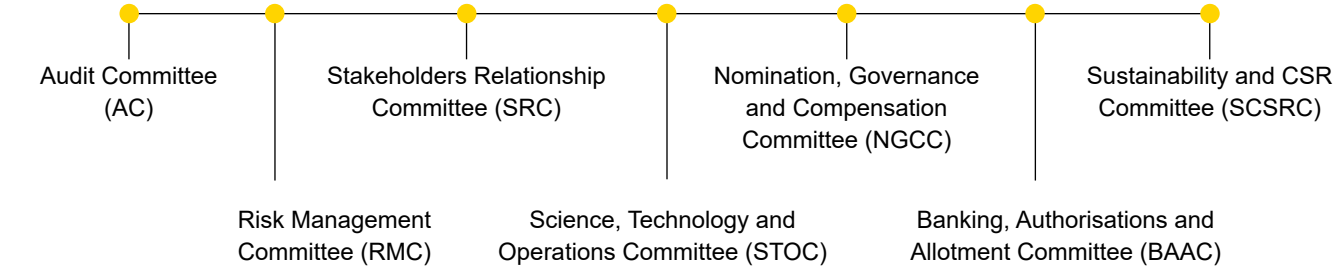


Board of Directors

Ensuring robust corporate governance for sustainable performance, achieving long-term corporate goals and enhancing stakeholders' values

Board Committees

Ensuring governance in specific functional areas delegated in terms of applicable laws or by the Board



Management Council (MC)

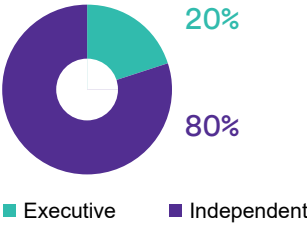
Chairman, Co-Chairman & Managing Director and CEO, duly supported by the MC, are responsible for the Company's strategy, growth initiatives, priorities and overall Company performance

AC	NGCC	RMC	STOC
100%	100%	100%	100%
Independence	Independence	Independence	Independence
Chair - Independent	Chair - Independent	Chair - Independent	Chair - Independent
SCSRC	SRC	BAAC	MC
50%	33%	100%	13*
Independence	Independence	Executive Committee	Members
Chair - Independent	Chair - Independent		

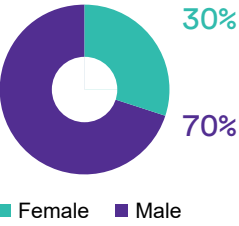
*As of May 12, 2026, the Company had 13 MC Members, following the elevation of Mr. M. S. Madhu Sundar and Mr. Sandeep Khandelwal as MC Members with effect from April 1, 2026 and May 12, 2026, respectively.



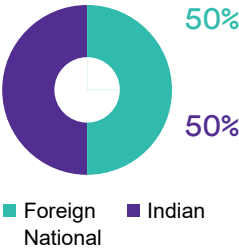
Board Independence



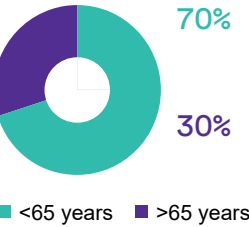
Gender Diversity



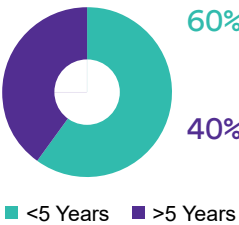
Nationality



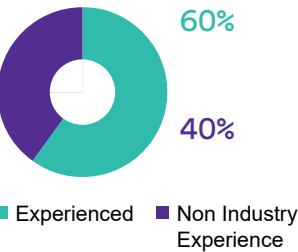
Age



Tenure



Industry Experience



Board Highlights

100%

Members of the Audit Committee, Nomination, Governance and Compensation Committee, Risk Management Committee and Science, Technology and Operations Committee are Independent Directors

98.33%

Attendance in Board meetings by all Directors

100%

Attendance in Board Committee meetings by all Directors

Average Tenure

4.3 years

Independent Directors

10.7 years

All Board members including 2 Promoter Directors

Change in Governance Bodies

During the year under review and till the date of this report, the following changes took place:

Change in Board of Directors:

Mr. Srikanth Velamakanni (DIN: 01722758) appointed as an Additional Director, categorised as an Independent Director, for a term of five consecutive years, effective from July 1, 2026 to June 30, 2031, not liable to retire by rotation, subject to approval of Members at the ensuing 42nd Annual General Meeting.

Change in Management Council (MC) Members:

- Ms. Archana Bhaskar resigned from her position of Chief Human Resources Officer (CHRO) effective from the close of business hours on November 30, 2025. Consequent to her resignation, the Company entrusted the additional responsibilities of the CHRO's office to Mr. Sanjay Sharma effective from December 1, 2025.
- Dr. Jayanth Sridhar resigned from his position of Global Head of Biologics effective from the close of business hours on January 31, 2026.
- Mr. M.S. Madhu Sundar was inducted as a member of the Management Council effective from April 1, 2026.
- Mr. Sushrut Kulkarni resigned from his position of Global Head – Integrated Product Development Organisation, effective from the close of business hours on May 8, 2026.
- Mr. Sandeep Khandelwal was inducted as a member of the Management Council effective from May 12, 2026.
- Change in role/designation of the following MCs of the Company, effective from April 1, 2026:

Name of the Senior Management Personnel	Revised Role/Designation
Mr. M V Ramana	CEO Global Generics
Mr. Sanjay Sharma	Chief Operating Officer
Mr. Krishna Venkatesh	Global Head of IPDO
Mr. Patrick Aghanian	Head - Consumer Health Organisation

All senior management vacancies in FY2026 were filled through internal talent, reflecting the Company's strong succession planning.

Key Highlights of Corporate Governance Practices

80% of the Board members are Independent Directors. 100% of the statutory Board Committees are chaired by an Independent Director

Board has designated an Independent Director as the Lead Independent Director

Conduction of Separate Meetings for Independent Directors on a quarterly basis

Established Board process to manage any conflict-of-interest situation at the Board level

Regular deliberation on succession planning by the Board/NGCC

Science, Technology and Operations Committee – a dedicated Board Committee to drive innovation and R&D

Board evaluation through an independent agency once in 3 years

KPIs of senior executives include performance on sustainability parameters

Sustainability Council responsible for the implementation of ESG strategies and programmes

All Related Party Transactions (RPT), including exempted transactions, are placed before the Audit Committee and the Board

CSR needs assessment before undertaking new strategic CSR projects

Adoption of a formal tax policy to guide company practices and provide investors, regulators and other external stakeholders on the Company's tax risk profile

Non-audit fees to the Statutory Auditors is ~15.13% of their total compensation

CSR Impact Assessment by an independent agency covers 85% of our CSR spends

Voluntarily adopted Group Governance Policy as recommended by the Kotak Committee

Exit Interview for Senior Management Personnel to gain strategic insights and constructive feedback to identify opportunities for organisational improvement

Supplier Code of Conduct replaced with 'Third Party Code of Conduct' to broaden scope and ensure governance across all third-party engagements

Vendor satisfaction survey to gather vendor feedback, improve supplier relationships, and enhance overall business processes

Periodic shareholder satisfaction survey conducted to seek feedback from shareholders on shareholder services. The survey results reflected high levels of satisfaction, as 94% of respondents rated the services as good / very good/excellent

Conducted an Independent session of Chairman of Audit Committee with statutory auditors, internal auditor, secretarial auditor and cost auditor

Board-Level ESG Oversight

The Sustainability and Corporate Social Responsibility (SCSR) Committee is the Board's nodal body for ESG, overseeing sustainability-related risks and opportunities across short, medium, and long-term horizons. It guides the Company's ESG goals, Access and affordability, Diversity & Inclusion,

Net Zero, Water positivity, Supplier sustainability and oversees ESG policy, BRSR and related disclosures, and CSR action plans, expenditure, and impact assessment under Section 135 of the Companies Act, 2013.

Comprising Independent Directors with the Chairman and Co-Chairman & Managing Director, the Committee

receives quarterly sustainability updates, weighs ESG trade-offs in strategy, capex, budgets, and risk policies, sets sustainability targets, and links ESG performance to executive remuneration via the company-wide scorecard. It works in concert with the Risk Management, Audit, and Science, Technology and Operations Committees for connected oversight.

Management-Level Responsibility

Executive accountability rests with the Co-Chairman & Managing Director, who approves ESG strategy and climate and water targets, and reports to the Board on the financial implications of climate-related risks and opportunities. The CEO delivers the company-wide scorecard embedding ESG KPIs, while the CFO integrates sustainability into capital planning, internal carbon pricing, and risk management, ensuring connectivity between sustainability data and the financial statements.

Day-to-day execution sits with a management-level Operational Committee on ESG and CSR, supported by the Head of Global Manufacturing Operations (SHE, energy, renewables, and climate risks) and the Global Head of SHE & Sustainability (supplier ESG engagement, TCFD/Climate Risk-aligned scenario analysis, and monthly site-level tracking). Controls include the Enterprise Risk Management framework with defined risk-appetite thresholds, an ISO 14001 and 45001-certified SHE management system, the Third Party Code of Conduct and ESG assessment programme, and independent assurance of BRSR data – integrated across procurement, R&D, manufacturing, finance, internal audit, and HR.

Business ethics and compliance

Our Code of Business Conduct and Ethics (COBE) outlines expectations for ethical conduct and decision-making. It is approved by the Board of Directors and applies to all Directors, full and part-time employees, contractors, third parties, and consultants across Dr. Reddy's Laboratories Limited and its subsidiaries and affiliates⁴⁰. The Code covers corruption and bribery, conflicts of interest, insider trading, anti-competitive practices, data

privacy, discrimination, harassment, whistleblower protection, human rights, and money laundering. It is embedded through employee training and acknowledgement at the time of joining, followed by an annual refresher training, along with acknowledgement.⁴¹

In addition to the COBE, we maintain a dedicated Anti-Bribery and Anti-Corruption (ABAC) policy.⁴² The principles of the ABAC policy are also embedded in our Third-Party Code of Conduct (TPCOC), which is signed off by third parties during onboarding. The anti-corruption policy has been communicated to all governance body members.⁴³

A third-party bribery and ethics risk assessment was conducted in FY2022, with the next assessment planned in upcoming years. A dedicated Ombuds team reports into the Chief Compliance Officer, overseeing all ethics and compliance matters. We regularly monitor and assess all our operations and business practices to ensure adherence to legal and ethical standards, identify any potential risks early, and promote a culture of ethics and integrity at Dr. Reddy's. 100% of our operational sites have been assessed for sexual harassment and discrimination at the workplace in FY2026.⁴⁴

Reporting, Accountability & Grievance Redressal

We promote transparency and accountability by enabling employees, partners, and external stakeholders, including suppliers, customers, and communities, to report concerns via multiple channels under our Ombudsperson Policy. These include a web-based portal managed by the independent third-party NAVEX EthicsPoint, a 24x7 multilingual hotline, direct email access to the Chief Compliance Officer and Chief Ombudsperson, postal

correspondence, and walk-in reporting. Reporters may choose to remain anonymous wherever permitted by local laws, and every reasonable effort is made to protect identities. All concerns are logged, independently assessed, and investigated under the direction of the Chief Compliance Officer, with escalation to the Chief Ombudsperson, an Independent Director, and the Audit Committee for serious or sensitive matters. Investigations are conducted impartially, normally completed within 90 days, and supported by robust confidentiality safeguards. The Chief Compliance Officer provides quarterly summaries of all concerns, investigation status, and exceptions to the Chief Ombudsperson.

Negative impacts identified through complaints or investigations are addressed through a structured Corrective and Preventive Action (CAPA) framework, with the Compliance team monitoring implementation and escalating overdue actions to senior management. Post-closure follow-ups confirm sustained remediation and prevent recurrence.

Our Non-Retaliation Policy supports a "Speak Up" culture, protecting employees, contract workers, and third parties who raise concerns in good faith. Where needed, measures such as heightened monitoring, HR engagement, and interim corrective actions are implemented. Post-closure reviews confirm no retaliatory behaviour has occurred. Human rights risks are assessed through our Social Accountability Management Procedure (SAMP), SA8000-based external evaluations, and applicable labour laws.

⁴⁰ GRI 2-23

⁴¹ GRI 2-24

⁴² GRI 205-1

⁴³ GRI 205-2

⁴⁴ GRI 2-25

- Speaking Up Made Easy**
- We believe people should never have to stay silent. That's why we've built multiple channels for raising concerns:
- Ombudsperson email for direct outreach
- Intranet-based complaint tool for easy digital access
- Amber, a confidential grievance tool for sensitive issues
- Direct escalation to senior management
- Speak Up campaign, a dedicated employee engagement initiative where workers can grievance through QR codes

Anti-trust and competition law

We uphold competition and anti-trust laws to maintain a fair market. All employees are expected to comply, ensuring no anti-competitive, unethical, or corrupt practices. Our Code of Business Conduct and Ethics and the Third-Party Code of Conduct emphasise fair competition and strictly prohibit violations. Suspected breaches can be reported to the Chief Compliance Officer or through any of the channels available under the Ombudsperson Policy.⁴⁵

Tax Transparency

As part of our commitment to responsible tax practices and

stakeholder transparency, we have published an annual Tax Transparency Report since FY2023. The Report outlines our tax strategy, principles, and disclosures, supported by an independent auditor's statement. We contribute fairly across tax jurisdictions, ensuring accountability in public finance contributions.

Healthcare professional interactions and responsible marketing⁴⁶

We maintain a Global Code on Interactions with Healthcare Professionals (HCPs), which provides a set of global standards and procedures to be followed by the Company, its employees, and any Company representative in relation to interactions with HCPs and healthcare institutions while engaging in sales, research, marketing, and promotional activities.⁴⁷ Any compensation provided must be for bona fide services, consistent with fair market value, properly documented and accounted for, and disclosed where required. We do not offer anything of value to HCPs to influence their professional judgement or purchasing practices in favour of our products, and we avoid creating any conflicts of interest. All marketing personnel are trained at the time of joining and at regular intervals, including during quarterly townhalls, annual business meets, and annual mandatory training refreshers, to prevent off-label promotion and ensure responsible marketing and sales practices.⁴⁸



Annual Tax Transparency Report published since FY2023, reinforcing our commitment to responsible tax practices and stakeholder trust.

Human Rights

We are committed to protecting human rights across our value chain, guided by international frameworks such as the ILO core conventions, the Universal Declaration of Human Rights, the International Covenants, and the UN Guiding Principles on Business and Human Rights. Our due diligence, aligned with SA8000, addresses risks including child labour, forced labour, human trafficking, discrimination, and issues related to wages and working hours. All Indian manufacturing facilities are SA8000 certified, covering 100% of manufacturing operations.

We adhere to the standard's eight core clauses: child labour, forced labour, health and safety, freedom of association and the right to collective bargaining, discrimination, disciplinary practices, working hours, and remuneration. Due diligence stakeholder coverage includes our own employees, on-premises extended workforce, as well as vulnerable groups such as women, children, and migrant workers.

Human rights requirements are built into business agreements and our Third-Party Code of Conduct. A dedicated Social Performance Team oversees implementation at central and site levels. To prevent child labour, we use Contractor Safety Management Cards, training, sensitisation, and whistleblower channels. In FY2026, we reported zero cases of child labour and

⁴⁵ GRI 2-26
⁴⁶ GRI 207-1
⁴⁷ HC-BP-510a.2
⁴⁸ GRI 2-23



forced labour across operations and supply chain, and all plants and offices in India and overseas were assessed with no concerns identified.

On fair wages, we have validated living wage benchmarks for all on-roll employees using the **WageIndicator** benchmarking tool (India-specific, manufacturing operations) based on the Anker methodology. All collective bargaining agreements consider employee health and safety. Vendors and contractors conduct third-party worker voice surveys, and any grievances requiring escalation are brought to our attention for intervention and resolution.

Data Privacy

We respect the privacy rights of all individuals and handle personal information in line with data protection laws across our operating regions. Our approach is principles-based and extends to our partners.

We engage with a wide range of stakeholders including healthcare professionals, clinical trial participants,

17

Manufacturing facilities are certified under SA 8000:2014

consumers, job applicants, and employees across multiple jurisdictions. Our approach to managing personal information is guided by clear, principles-based considerations and practices, as set out in the Company's Global Data Privacy Policy. We also maintain customer-facing notices, managed by our dedicated Global Data Privacy team, to ensure transparency and trust.

Privacy considerations are embedded in the early stages of all our new projects, products, and solutions. In FY2026, we completed 150 Privacy Impact Assessments (PIAs/DPIAs). We have established best-in-class processes



and standards to promote transparency in our privacy practices, enable secure cross-border transfer of personal data, protect confidentiality of data throughout its lifecycle, and effectively identify and manage personal data breaches - minimising risks to both the Company and individuals.

During FY2026, no personal data breaches involving customer data were reported. Four minor incidents related to employee or ex-employee data were identified and reported during the year. These had no material impact, and appropriate mitigation measures were promptly implemented.

Information Security

Protecting the data, intellectual property, and patient information is fundamental to the trust that underpins our business. Our Information Security Management System (ISMS) is built on internationally recognised frameworks, ISO 27001 and the NIST Cybersecurity Framework, with risks managed through a structured process aligned to COSO ERM. Our strategy is anchored in a comprehensive, risk-based framework that combines robust operational procedures, strong governance, secure system design,

stringent third-party controls, continuous employee awareness, and advanced security technologies.

Cybersecurity is governed at the highest level, with the Board overseeing cyber risk through its Risk Management Committee. The Committee is regularly updated on threats and mitigation actions.

Operational responsibility lies with the Chief Information Security Officer (CISO), who leads cybersecurity efforts and conducts monthly reviews with the Chief Information Officer (CIO) and technology leadership. The CISO and CIO jointly report cyber maturity to the CEO quarterly and collaborate with the Chief Risk Officer (CRO) to integrate cyber risk into enterprise risk management.

Our Cyber security maturity model is reinforced by a leading consulting partner and tested through regular simulated internal and external cyber-attacks, which benchmark our response capability and drive continuous improvement. We also deploy a comprehensive technology stack, including continuous attack-surface and cloud monitoring, and subject it to periodic independent

assessments to verify control effectiveness. During FY2026, we completed two major audits: an ISMS audit and a NIST Cyber Maturity assessment spanning both IT and OT environments, evaluating our readiness against current operations and planned expansion.

Information Security Policy sets clear responsibilities across the workforce and defines requirements for third parties and suppliers, supported by a structured incident-escalation process and security awareness training delivered multiple times a year. Our subsidiary APSL holds ISO 27001 certification, as do our cloud hosting platforms, with subsidiary certification audits ongoing.

We undertake periodic business impact assessments for each business process to understand the potential impact of disruptions and maintain a round-the-clock Security Operations Centre (SOC) to support monitoring and response activities. Scenario-based analysis also performed to better understand potential financial implications under varying disruption conditions, supporting informed risk management and resilience planning. We estimate a financial effect of ₹ 5–25 crore for an average system downtime in existing controlled scenarios. We continue to invest ahead of the threat curve, with an estimated 6% year-on-year increase in our information security budget to advance our target maturity levels.

In FY2026, we recorded no critical cybersecurity incidents, breaches, and cybersecurity-related consumer complaints. The financial cost of data breaches or incidents, including fines, penalties, and remediation, was nil⁴⁹.

⁴⁹ GRI 418-1

Product Quality

In FY2026, we strengthened our quality capabilities by improving system maturity, investigation capability, and digital enablement. Structured problem-solving methods such as Kepner-Tregoe enhanced investigation rigour and decision-making, while AI-enabled SOP simplification, review-by-exception models, and streamlined APQRs reduced complexity and sharpened focus on critical risks. The QualEx platform now integrates enterprise quality data, enabling real-time visibility, analytics, and collaboration across the quality lifecycle.

We also initiated Ongoing Process Verification and Continued Process Verification (OPV/CPV) to monitor critical process parameters proactively, detect anomalies earlier, and reduce downstream cost and cycle time while improving customer serviceability.

During the year, we further strengthened internal audit mechanisms. Multiple lines of defence, supported by Anytime Readiness Audit Mechanism (ATAR), continue to reinforce governance, resilience, and trust through self-inspections, SOX audits, GQM audits, GEMBA, Quality Governance reviews, and Audit-readiness check-ins.

All our facilities operate in line with globally recognised cGMP standards, supported by digital tools, analytics, and risk-based quality frameworks. Strong compliance across sites has enabled timely approvals, successful launches, and uninterrupted supply of safe, effective, high-quality medicines worldwide.

Quality Beyond Compliance: Our New QMS

Our Quality Management System (QMS) is a core execution system that impacts processes and metrics across growth, service, and cost. We are

redesigning our QMS processes using the Eliminate, Combine, Rearrange, Simplify, Automate (ECRSA) framework, embedding efficiency metrics alongside compliance metrics, and building scalability to support future business growth. Our vision is an integrated, unified Quality Management System that delivers superior user experience, aligned with our aspiration of Quality Beyond Compliance.⁵⁰

We are entering a phase where Lean principles combine with digital and data-driven decision-making to improve productivity, quality, and service. Our new QMS supports this by enabling reliable, robust, and sustainable processes while building a digital-native mindset through change management.

The QMS includes tools for customer complaints, audits, inspections, quality control, reviews, and real-time dashboards to support growth, service, and cost efficiency. By adopting this solution, we are streamlining operations, strengthening stakeholder trust, and improving product quality, consumer confidence, and patient safety as we move toward Quality Beyond Compliance.

During FY2026, we issued 17 product recalls.⁵¹ The details are as follows:

Recall Metric	FY2026
Class I recalls	1
Class II recalls	7
Class III recalls	9
Total number of recalls	17

Product quality issues, including out-of-specification inventory and recall-related destruction, can affect cash flows through write-offs and customer refunds. We manage these through our quality lifecycle by tracking total write-offs and out-of-specification events to identify trends and drive corrective action. Compared with last

year, we saw a significant reduction in Class II recalls, with total value of recall at ₹ 120.76 mn[#].

Pharmacovigilance

Patient safety is central to everything we do. Our pharmacovigilance framework goes beyond compliance, reflecting a culture of vigilance, transparency, and shared responsibility. Through robust systems, advanced technology, and dedicated teams, we continuously monitor, assess, and communicate the safety profile of every product throughout its lifecycle.

We use a multi-channel approach to identify and track adverse effects, supported by the validated LifeSphere suite for end-to-end pharmacovigilance operations. This includes safety database management, signal detection, literature screening, and triage of medical information requests, product complaints, and adverse events, providing an integrated digital backbone for our pharmacovigilance processes.

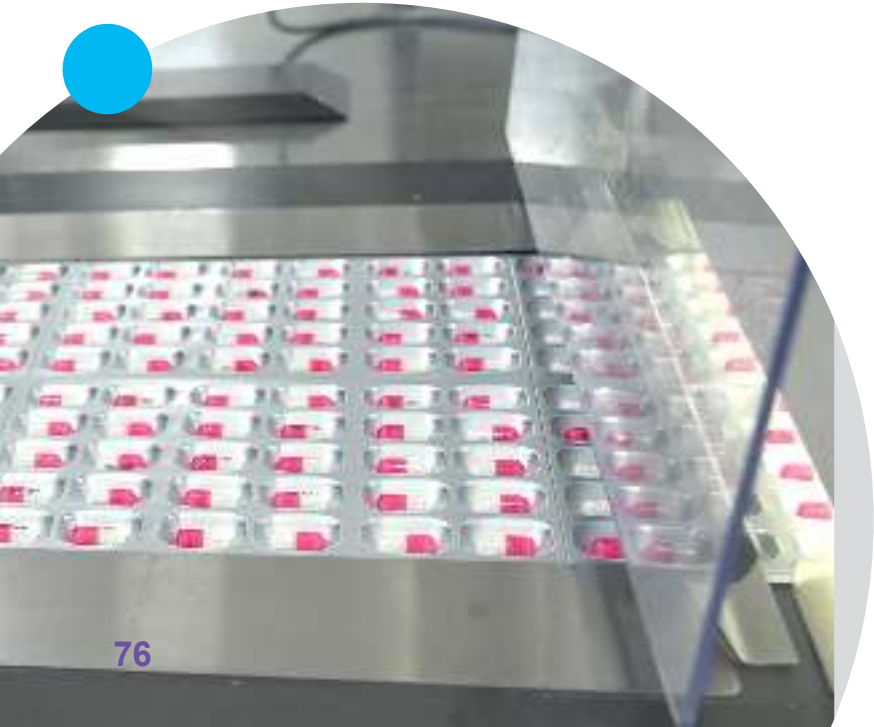
We conduct a Health Hazard Assessment (HHA) report to assess patient risk for all the products developed and manufactured. We ensure it meets all the quality parameters as per the specifications. When a non-conformance or Out-of-Specification (OOS) result may pose a risk to patient safety, we use the results of Health Hazard Assessment (HHA) report to assess patient risk and determine the nature and extent of the recall whether a market-wide withdrawal, targeted recall, or other corrective actions, ensuring decisions are evidence-driven, proportionate, and aligned to the level of safety risk involved.⁵²

⁵⁰ GRI 3-3

⁵¹ HC-BP-250a.3

⁵² GRI 416-1

[#] This includes value of Class 1, 2 ,3 recalls





Safety data is captured in our database, processed, and medically assessed by a dedicated PV Medical Assessment team. We also prepare and submit aggregate safety reports and Risk Management Plans in line with country-specific requirements. Broader public health communications, where needed, are issued through Direct Healthcare Professional Letters based on Health Authority advice.

We maintain a structured, role-based pharmacovigilance training programme aligned with global regulatory expectations. Annual mandatory training is provided to employees, vendors, and contractors, while continuous internal training for PV personnel reinforces pharmacovigilance as a shared organisational responsibility.

Animal Welfare & Responsible Testing

Animal testing is an important ethical consideration in pharmaceutical development. It is used in pre-clinical studies to assess the safety, efficacy, toxicity, and adverse effects of new drug candidates before human trials. Aurigene Oncology Limited, our discovery subsidiary, conducts or outsources toxicology studies as needed. The facility follows SOP-driven animal care protocols covering handling, experimentation, euthanasia, environmental enrichment, quarantine, surgery, and occupational safety.

Animal testing practices are overseen by the Institutional Animal Ethics Committee (IAEC), constituted in line with Committee for Control and Supervision of Experiments on Animals (CCCSEA) directives. Animal welfare practices extend beyond Aurigene to other Dr. Reddy's facilities involved in animal studies.

Animal Welfare in Practice

Our approach is guided by the 3Rs: Replacement, Reduction, and Refinement, embedded in how we design, review, and execute every study:



Enrichment & Well-being

Rodents are provided with acrylic tunnels, hut-like structures, toys, and nesting material to promote natural behaviour and positive emotional states.



Nutritious Feed

Animals receive globally recognised laboratory feed sourced from Altromin, with supplier-provided certificates of analysis confirming nutrient and contaminant levels. Additionally, all feed undergoes independent third-party testing for microbiological safety before being provided to animals.



Pain Minimisation

Every protocol is reviewed by the IAEC, which evaluates the number of animals and their justification, whether experiments could cause unnecessary pain or distress, and measures to minimise such impacts. Studies proceed only after welfare considerations are confirmed.



Training

All personnel undergo mandatory training before handling animals. Refresher training is provided whenever procedures or SOPs change.

Transitioning Towards Non-Animal Testing

While animal studies are still required for some regulatory submissions, we recognise the ethical concerns and are working to reduce and ultimately replace animal use wherever scientifically feasible. This is already underway through a phased programme with clear milestones.

Aurigene and Dr. Reddy's IPDO apply the 3Rs, Replacement, Reduction, and Refinement, and are advancing New Approach Methodologies (NAMs). Our approach embeds the 3Rs into study design, review, and execution.

We are also advancing alternatives to traditional animal-based tests. Along with consortium partners, we are generating side-by-side data for rFC versus LAL testing for submission to the Indian Pharmacopoeia Commission, with the goal of replacing the horseshoe-crab-derived LAL endotoxin test. We are also promoting the Monocyte Activation Test (MAT) as an alternative to the rabbit pyrogen test, with both already recognised by IPC.

In parallel, we are helping form an industry consortium with the Indian Pharmaceutical Alliance to accelerate NAMs adoption. The consortium aims to work with regulators to revise testing guidelines where animal studies can be reduced or waived, and to share best practices for replacing animal use in early-stage development.

Supply Chain Management

We are committed to developing an ESG-compliant supplier base and strengthening the Dr. Reddy's Supplier ESG framework, applicable to strategic suppliers across Dr. Reddy's and its subsidiaries. We expanded assessments to 76 strategic suppliers using Dun & Bradstreet and CRIF, covering about 26% of global direct spend through desk and on-site evaluations, compared with 34 suppliers and 12% spend previously. Suppliers are rated high, medium, or low based on results.

In FY2026, one supplier was classified as high risk and received a corrective

action plan and physical assessment⁵³; none were terminated for negative environmental or social impacts. 94% of strategic partners have been assessed against our internal ESG framework, progressing toward 100% strategic supplier compliance by 2030. We conducted 12 ESG capacity-building programmes for 179 supply chain partners, and all strategic suppliers completed ESG awareness training. Engagement includes capability building, audit CAPA governance and tracking, partner meetings, and discussions on ESG goals, manufacturing efficiency, quality management, and human rights standards.

To reduce value-chain emissions, we signed SBTi near- and long-term commitments and announced Science-Based Net Zero Climate Targets by FY2045, only Indian pharmaceutical company to do so. Our Third-Party Code of Conduct (TPCoC), aligned with PSCI Principles and informed by the UN Universal Declaration of Human Rights, ILO Core Conventions, and UN Convention against Corruption, remains central to supply chain ethics. It prohibits child labour across suppliers and upstream partners and covers ethics, compliance, labour and human rights, wages, health, safety, sustainability, data privacy, trade compliance, and quality management. All suppliers and related third parties must sign it and complete onboarding through our portal, which mandates Dr. Reddy's platform for transactions and digitally signed documents.

Since FY2024, we have complied with ISO 20400:2017 Sustainable Procurement Guidance, integrating sustainability into procurement as described in ISO 26000. As a PSCI Supplier Partner, we share audits, complete maturity models, collaborate on sustainability initiatives, and annually upload facility audit reports with progress on major findings. We remain the only Indian pharmaceutical company with CDP Leadership ratings in Climate Change, Water Security, and Supplier Engagement. In FY2026, we retained an MSCI ESG Rating of 'A', improved our Sustainalytics ESG Risk Rating to 18.4, and received the Ecovadis Gold Medal, placing us in the top 5% globally.



⁵³ GRI 414-1

Stakeholder Engagement and Materiality Assessment

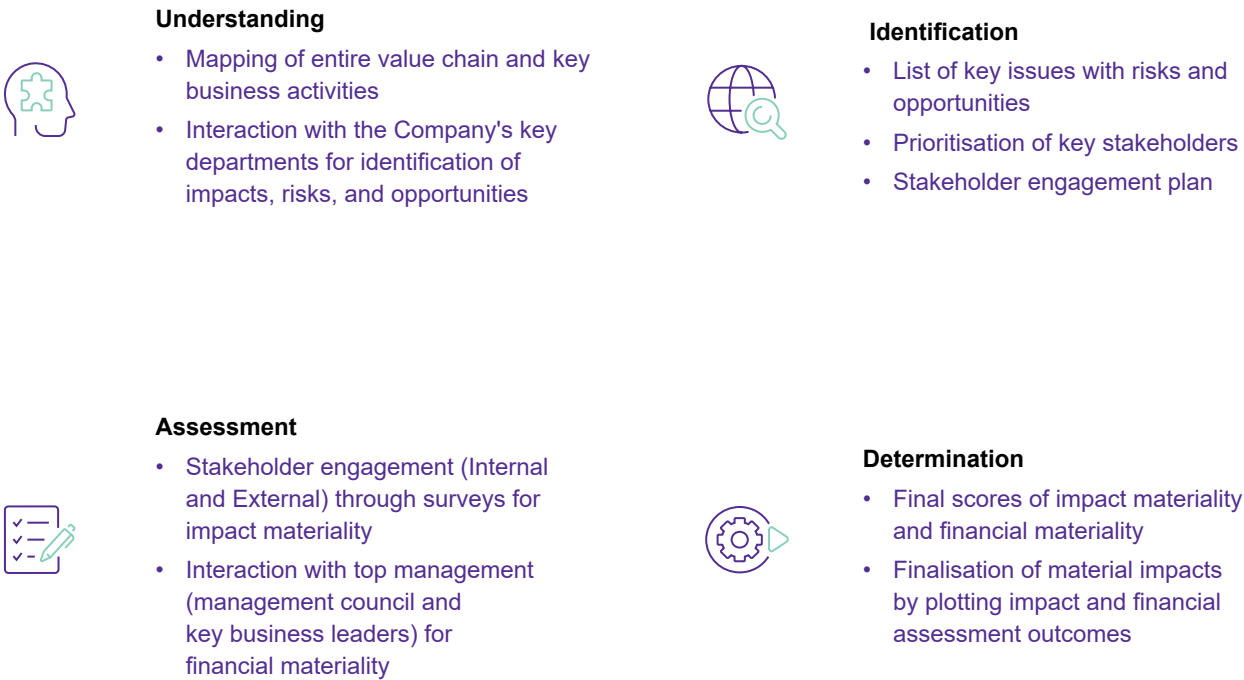
We embrace collaboration and meaningful engagement with both our internal and external stakeholders to understand their viewpoints, address their concerns, and achieve sustainable outcomes. This enhances our strategic decision-making, fosters transparency, and helps us stay aligned with emerging regulatory requirements.

In FY2025, we conducted a Double Materiality Assessment (DMA) to align material priorities with our strategy and support long-term stakeholder value. As part of our annual review, we assess material topics against changes in operations, geographic footprint, progress on goals, regulatory developments and other relevant factors. Through DMA evaluated both our impact on society and the environment, and how external developments may affect our business and financial performance. The process supports integration of material issues with Enterprise Risk Management by linking ESG impacts with financial implications and informs more resilient decision-making across the organisation. The assessment followed EFRAG Implementation Guidance (IG 1) and GRI standards.



Approach to Double Materiality Assessment

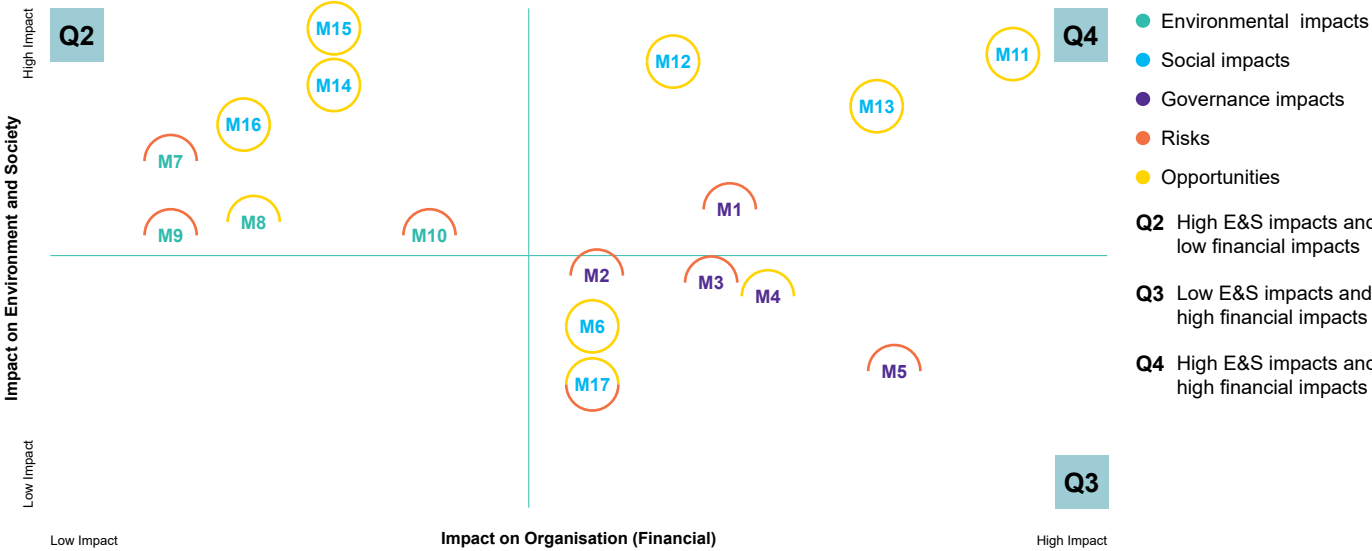
We followed four major steps to conduct a double materiality assessment based on EFRAG guidelines.





The Outcome

Double materiality matrix



The fundamental aim of the double materiality assessment was to assess the key risks and opportunities facing Dr. Reddy's business from both ESG and financial standpoints. We have determined that the topics categorised under quadrants Q4, Q3, and Q2 represent the most material impacts for the company.

DMA topic		Category	Sub-topic / Impact topic
M1	Product Quality	Risk	Inadequate product quality
		Risk	Counterfeit products
M2	Business Continuity	Risk	Business continuity
M3	Cyber Security	Risk	Information security
		Risk	Data privacy
M4	Compliance	Risk	Regulatory compliance
		Opportunity	Governance beyond compliance
M5	Business Ethics	Risk	Unethical practices
		Risk	Bribery and corruption
M6	Health & Safety	Risk	Inadequate process safety systems
		Risk	Occupational health and safety (emergency response system)
M7	Climate Change	Risk	Greenhouse gas emissions
M8	Energy Management	Risk	Energy consumption
		Opportunity	Use of renewable energy
M9	Waste Management	Risk	Hazardous waste
M10	Water Management	Risk	Wastewater management
		Risk	Water use
M11	Affordability of Healthcare	Opportunity	Affordability of medicines
M12	Access to Healthcare	Opportunity	Access to medicines
M13	Customer Satisfaction	Opportunity	Customer satisfaction
M14	Community Well-being	Opportunity	Community engagement
M15	Supply Chain Management	Opportunity	Sustainable supply chain
		Opportunity	Responsible sourcing
		Opportunity	Process efficiency (Use of recycled and reused materials)
M16	Process Innovation	Opportunity	Process innovation
		Opportunity	Green chemistry
M17	Human Capital Development	Risk	Labour management
		Opportunity	Talent retention (Employee satisfaction)
		Opportunity	Diversity and inclusion

Our Stakeholder Engagement Model

Employees

Importance: Company's most valued asset and central to business success

Engagement modes

- Physical and digital channels of communication
- One-to-one connect with the management
- Townhall

Frequency: Daily

Key concerns and related impact area

- Job security
- Fair compensation
- Career development opportunities
- Safe and healthy work environment

Aligned material impact topics

- Diversity and Inclusion
- Labour management
- Talent retention (Employee satisfaction)

Interlinked report sections

Helping our people realise their full potential

[+ Read more on pages 38-47](#)

Value created

27,527

Total employees



UN SDGs impacted



Investors

Importance: Providers of financial capital

Engagement modes

- Meetings, conferences
- Earnings calls
- Financial results
- Stock exchange and other communications
- Annual report

Frequency: Frequent and need-based

Key concerns and related impact area

- Financial performance profitability
- Dividend payouts
- Overall strategic direction of the Company
- Communication on future growth outlook

Aligned material impact topics

- Economic performance
- Risk management
- Business continuity
- Inadequate product quality
- Regulatory compliance
- Greenhouse gas emissions
- Access to medicines
- Sustainable supply chain

Interlinked report sections

Leading responsibly, Access, Affordability, and Innovation, Building a Greener Tomorrow

[+ Read more on pages 66-79; 26-37; 54-65](#)

Value created

₹ 41,576 mn

Profit after tax

15.8%

RoCE



UN SDGs impacted



Patients

Importance: The primary users of our products

Engagement modes

- Customer assistance and outreach programmes

Frequency: Frequent and need-based

Key concerns and related impact area

- Affordable and high-quality medications
- Information about drug efficacy and safety
- Customer support

Aligned material impact topics

- Access to medicines
- Affordability of medicines
- Inadequate product quality

Interlinked report sections

Access, Affordability, and Innovation

[+ Read more on pages 26-37](#)

Value created

~699 mn

Estimated no. of patients reached

43%

of launches were FTM in priority markets



UN SDGs impacted





Healthcare Professionals

Importance: Fundamental to gaining insight into the needs of patients

Engagement modes

- Conferences and seminars
- Visits by sales personnel

Frequency: Frequent and need-based

Key concerns and related impact area

- Efficacy, safety, and availability of medications
- Educational resources
- Support for prescribing practices

Aligned material impact topics

- Affordability of medicines
- Access to medicines
- Inadequate product quality

Interlinked report sections

Leading responsibly, Access, Affordability, and Innovation

[+ Read more on pages 66-79; 26-37](#)

Value created

58,616

People trained to deliver better patient care



UN SDGs impacted



Customers

Importance: Facilitating access to our products for end users

Engagement modes

- E-mails
- Couriers
- Surveys

Frequency: Daily

Key concerns and related impact area

- Timely and accurate delivery of products
- Quality assurance
- Responsive customer service

Aligned material impact topics

- Counterfeit products
- Inadequate product quality
- Customer satisfaction

Interlinked report sections

Leading responsibly

[+ Read more on pages 66-79](#)

Value created

220

Products launches



UN SDGs impacted



Suppliers & Partners

Importance: Supply input materials, deliver end products, and support the continuity of business operations

Engagement modes

- Capability building programmes
- Audit CAPA governance and tracking
- Business partner meets

Frequency: Frequent, quarterly

Key concerns and related impact area

- Fair treatment
- Timely payments
- Mutually beneficial relationships

Aligned material impact topics

- Bribery and corruption
- Unethical practices
- Data privacy
- Sustainable supply chain
- Responsible sourcing
- Regulatory compliance
- Customer satisfaction

Interlinked report sections

Leading responsibly

[+ Read more on pages 66-79](#)

Value created

94%

strategic suppliers are assessed under ESG framework



UN SDGs impacted



Community

Importance: Offers the social licence essential for conducting operations

Engagement modes

- Interaction through CSR initiatives

Frequency: Frequent and need-based

Key concerns and related impact area

- Environmental impact
- Community engagement initiatives
- Corporate social responsibility efforts

Aligned material impact topics

- Community engagement
- Greenhouse gas emissions
- Water use

Interlinked report sections

Empowering the communities around us, Building a Greener Tomorrow

[+ Read more on pages 48-53; 54-65](#)

Value created

~1,138,233

Lives benefited



UN SDGs impacted



Government Authorities

Importance: Establishes the laws and regulations for conducting ethical business

Engagement modes

- Conferences
- Written communications
- Facility visits
- Engagement through industry associations/committees
- Meetings

Frequency: Need-based

Key concerns and related impact area

- Regulatory compliance
- Drug safety standards
- Adherence to healthcare laws and regulations

Aligned material impact topics

- Hazardous waste
- Water & Wastewater management
- Greenhouse gas emissions
- Energy consumption
- Use of renewable energy
- Regulatory compliance
- Information security
- Product quality
- Taxation

Interlinked report sections

Building a Greener Tomorrow, Leading responsibly

[+ Read more on pages 54-65; 66-79](#)

Value created

Complete adherence

to Government norms and regulations



UN SDGs impacted



Third-party Logistics Service Providers and CFAs

Importance: Facilitate the distribution and supply chain management of pharmaceutical products

Engagement modes

- Meetings
- Inspections

Frequency: Frequent

Key concerns and related impact area

- Efficient logistics operations
- Timely payments
- Strong partnerships

Aligned material impact topics

- Sustainable supply chain
- Occupational health and safety (Emergency response system)
- Greenhouse gas emissions

Interlinked report sections

Leading responsibly, Building a Greener Tomorrow

[+ Read more on pages 66-79; 54-65](#)

Value created

179

supply chain partners are provided capacity building programs in ESG



UN SDGs impacted



Contract Workforce

Importance: Essential contributors in supporting the Company's operations and projects

Engagement modes

- Meetings
- Conferences
- Townhalls

Frequency: Frequent

Key concerns and related impact area

- Fair treatment
- Job security
- Opportunities for professional growth

Aligned material impact topics

- Occupational health and safety (emergency response system)

Interlinked report sections

Helping our people realise their full potential

[+ Read more on pages 38-47](#)

Value created

0.08

LTIFR for contract workmen



UN SDGs impacted



Risk Management

“We embed a culture of proactive risk intelligence, one that anticipates disruption, strengthens resilience, and converts uncertainty into informed strategic action.”

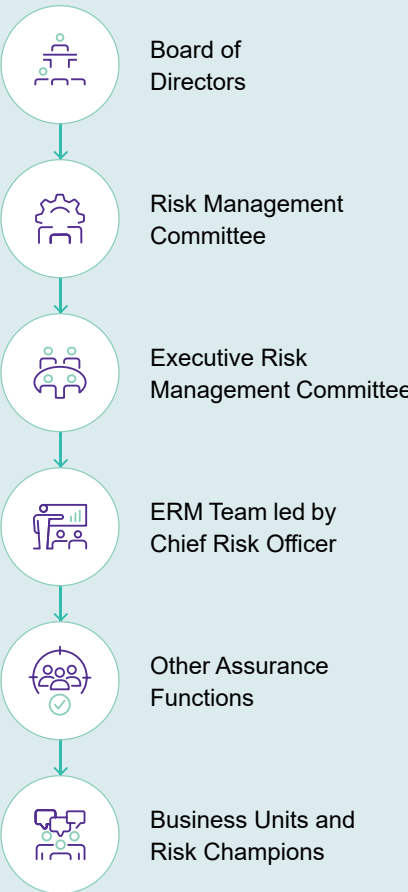
Our Approach

At Dr. Reddy's, risk management is a continuous organisational discipline woven into the fabric of our strategy, operations, and governance. We balance agility with foresight, enabling us to navigate an increasingly complex global landscape with confidence and resilience.

Our Enterprise Risk Management (ERM) framework is designed to identify, assess, prioritise, and mitigate risks at every level of the organisation, from the boardroom to the shop floor, ensuring that our risk appetite remains aligned with our long-term value creation ambitions.

Risk Governance Architecture

Risk oversight at Dr. Reddy's operates through a clearly-defined, multi-layered governance structure that ensures accountability, transparency, and speed of response:



How We Identify and Manage Risk

Dr. Reddy's identifies risks through a dynamic, year-round process involving quarterly assurance meetings with functional and business leaders, structured interviews, incident reviews, stakeholder dialogue, scenario analysis and horizon scanning to capture current and emerging risks. Identified risks are grouped and aggregated across organisational levels to create an enterprise-wide view. The ERM function builds awareness across functions and geographies, prioritises mitigation by impact and likelihood, monitors risk appetite and tolerance thresholds, and incorporates lessons from incidents and external developments into policies and procedures to strengthen preparedness.

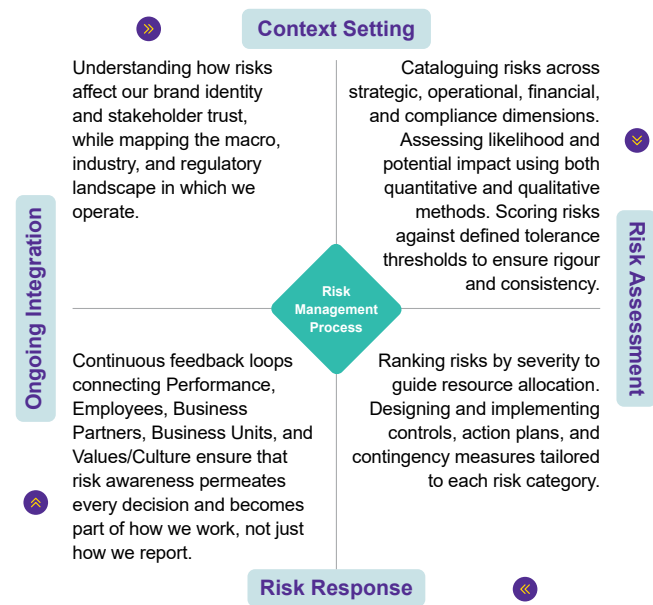
Key Risks Identified for FY2026

- Geo-political risk
- Inventory and assets
- Products
- Cyber security
- Data security & privacy
- Ethics & compliance
- Quality & regulatory
- Safety
- Country and strategic
- Other key operating risks

+ Read more about our climate risk management on page 57, our mitigation on material risks in Section A of the Business Responsibility and Sustainability Report on page 163-178, and the report of the Risk Management Committee in the Corporate Governance report on page 230-231.

Risk Management Process

Our risk management process follows a structured, iterative cycle anchored in our organisational identity and values.



Awards and Recognitions



- **Leadership category on the Indian Corporate Governance Scorecard 2025**
Awarded jointly by Institutional Investor Advisory Services (IIAS), the International Finance Corporation (IFC), and the Bombay Stock Exchange (BSE).
- **Brand Honchos - Global CSR & ESG Awards 2025**
CSR project 'Action for Climate and Environment (ACE)' awarded under the category of 'Most Impactful Environment Protection Initiative of the Year 2025'.
- **The Economic Times RE - Pharma Awards 2025**
For excellence in rural healthcare initiatives.
- **Distribution Industry Awards for Notable Achievements in Healthcare (DIANA) Awards**
Honoured by The Healthcare Distribution Alliance (HDA) in conjunction with the 2025 HDA Business Leadership Conference in June. Dr. Reddy's was selected as First Merit Finalist in the Best Overall Consumer Product Manufacturer category.

- **Asia Book of Records**
Zenura division Rozat Brand has recorded its name for the 'maximum number of people screened for lipid profile in a week'.
- **Leading Employer Certificate**
Awarded in Switzerland by the Institute of Research & Data Aggregation. The certification is based on a rigorous meta-analysis of publicly available data from over 250 independent sources, including review platforms, CSR reports, academic research, and public audits. This recognition places us among the top 1% of employers in the country.
- **Rotary National CSR Award**
Received the Rotary National CSR Award in the Environment Protection category under Mega Enterprises for our CSR initiative — Action for Climate and Environment (ACE), implemented by Dr. Reddy's Foundation
- **53rd CII National Kaizen Competition**
Chemical Technical Operations (CTO) - 5 facility was recognised with the Platinum Award-the highest honour in the Breakthrough category.

- **Zero Waste to Landfill**
Certified with Diamond Standard recognition for "Zero Waste to Landfill" by TÜV SÜD South Asia Pvt. Ltd. - with 99.9% of our waste successfully diverted from landfills.
- **Industrial Green Chemistry World (IGCW) Award 2025**
Awarded in the MNC, Large & Medium Scale category at the 8th IGCW Convention in Mumbai in recognition of our innovative green chemistry practices in synthesising APIs, which have delivered significant environmental and economic benefits.
- **Pharma Manufacturing & Automation Excellence Awards 2025** Named Company of the Year 2025, winning 7 awards, across Sustainability Manufacturing Excellence, Smart Factory of the Year, Supply Chain Productivity & Excellence, Talent Development Powerhouse, Excellence in Change Management and Emerging Leader in Pharma.

- **25th CII GLOBAL DESIGN SUMMIT 2025**
Design team, Studio 5B, won three awards at the event themed "Design for People, Planet, Purpose and Profitability".
 - **Silver** - Communication Design for Demystifying Pharma Series.
 - **Bronze** - Spatial Design for Kallam Anji Reddy Founder's Memorial Experience.
 - **Top 50 Designs Made in India** - Communication Design for Mintop Packaging at Bangalore, India
- **FORMACIA 2025 Pharmaceutical Market Awards**
Two of Dr. Reddy's brands won top honours in Moscow, Russia
 - **Cetrim®**: 1st place in Heart Stealer category
 - **Ibucilin®**: 1st place in Five-Star Brand category

- **Russian Pharma Awards 2025**
First place awarded to Skorolox and also recognised as the Launch of the Year. This is only award in Russia where winners are chosen exclusively by doctors, with over 450,000 specialists participating in the voting at Moscow, Russia.
- **Financial Reporting Awards 2024-25**
Finance team won the ICAI Gold Shield in the Manufacturing & Trading category for Excellence in Financial Reporting 2024-25
- **ET Brand Equity Design & Creativity Awards**
Design team, Studio 5B awarded the "Best In house Design Studio of the Year".
- **Business World India's Most Sustainable Companies Awards 2024-25**
Ranked 4th overall and 1st in healthcare.





Corporate Information

Founder

Dr. Kallam Anji Reddy
(1939–2013)

Executive Directors

Mr. K Satish Reddy (Chairman)
Mr. G V Prasad (Co-Chairman & Managing Director)

Non-Executive- Independent Directors

Mr. Leo Puri (Lead Independent Director)
Dr. Alpna Seth
Mr. Arun M Kumar
Dr. Claudio Albrecht
Dr. K P Krishnan
Ms. Penny Wan
Mr. Sanjiv Mehta
Ms. Shikha Sharma

Chief Executive Officer

Mr. Erez Israeli

Chief Financial Officer

Mr. Mannam Venkata Narasimham

Company Secretary, Compliance Officer and Head - CSR

Mr. K Randhir Singh

Statutory Auditors

M/s. S.R. Batliboi & Associates LLP

Secretarial Auditor

M/s. Makarand M Joshi & Co.

Cost Auditor

M/s. Sagar & Associates

Head Internal Auditor

Mr. Vansi Krishna

Chief Compliance & Risk Officer

Ms. Shweta Manchanda

Corporate Identity Number (CIN)

L85195TG1984PLC004507

Registered & Corporate Office

8-2-337, Road No. 3, Banjara Hills,
Hyderabad – 500 034,
Telangana, India
Tel: +91 40 4900 2900
Email: shares@drreddys.com
Website: www.drreddys.com

Registrar and Share Transfer Agent

Bigshare Services Private Limited
306, Right Wing, 3rd Floor, Amrutha Ville,
Opp. Yashoda Hospital, Rajbhavan Road,
Hyderabad 500 082, Telangana, India
Tel: +91-40-2337 4967, Fax: +91-40-2337 0295,
E-mail ID: bsshyd@bigshareonline.com.

Statutory Reports

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Management Discussion and Analysis

Note

- (1) FY2026 represents fiscal year 2025-26, i.e., from April 1, 2025, to March 31, 2026, and is used analogously for FY2025 and previously such labelled years.
- (2) Unless otherwise stated, financial data given in this Management Discussion and Analysis is based on our Company's consolidated results, prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.
- (3) Our reporting currency is in Indian rupees ('₹'). In instances where we have also given numbers in United States dollars ('US\$'), we have used an exchange rate of ₹ 93.83 = US\$ 1 for FY2026. To maintain comparability and to eliminate losses/gains purely on account of exchange rate fluctuations vis-à-vis the previous accounting year, we have used the same exchange rate (i.e., ₹ 93.83 = US\$ 1) for FY2025, purely for comparison purposes.

Global Economic Outlook¹

As per the International Monetary Fund ('IMF'), the global economy remains resilient but increasingly exposed to geopolitical, trade and commodity-price shocks. In early 2026, IMF projected steady global growth of 3.3% in 2026 and 3.2% in 2027, supported by technology-led investment, accommodative financial conditions and private-sector adaptability. However, the Middle East conflict and related higher energy price uncertainty led IMF to moderate the 2026 outlook to 3.1%, while retaining a broader view of medium-term resilience. Global inflation is expected to rise to 4.4% in 2026 before easing to 3.7% in 2027, while world trade volume growth is projected at 2.8% in 2026 and 3.8% in 2027. India remains relatively well positioned, with growth projected at 6.5% in both 2026 and 2027, supported by resilient domestic momentum.



At Dr. Reddy's, our ability to navigate this evolving global environment is underpinned by our focus on supply chain resilience, cost discipline, prudent inventory planning, currency agility and reliable execution across global markets.

¹ The outlook and the key trends discussed in this section are based primarily on '2026 World Economic Outlook Update' by International Monetary Fund, January 2026 and April 2026, and various other publicly available sources.

² The outlook and the key trends discussed in this section are based primarily based on 'Global Medicine Use Trends 2026' by IQVIA Institute, February 2026, 'Global Trends in R&D 2026' by IQVIA Institute, March 2026, 'World Preview 2025' by Evaluate, June 2025, and various other publicly available sources.

Global Pharmaceutical Market Outlook²

The global pharmaceutical industry continues to evolve amid rising healthcare needs, scientific advancement, pricing pressure, tariff-related uncertainties, evolving regulatory landscape, patent expiries, geopolitical uncertainty and increasing expectations around access and affordability. As per IQVIA, global medicine spending is expected to reach approximately US\$ 2.6 trillion by 2030, growing at a 5 - 8% Compound Annual Growth Rate ('CAGR'), driven by wider use of innovative therapies, particularly in developed markets, and partly offset by loss of exclusivity and increasing adoption of generics and biosimilars (See Figure 1).

US\$ 2.6 trillion

Global Medicine
Spending by 2030

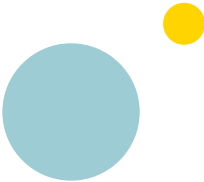
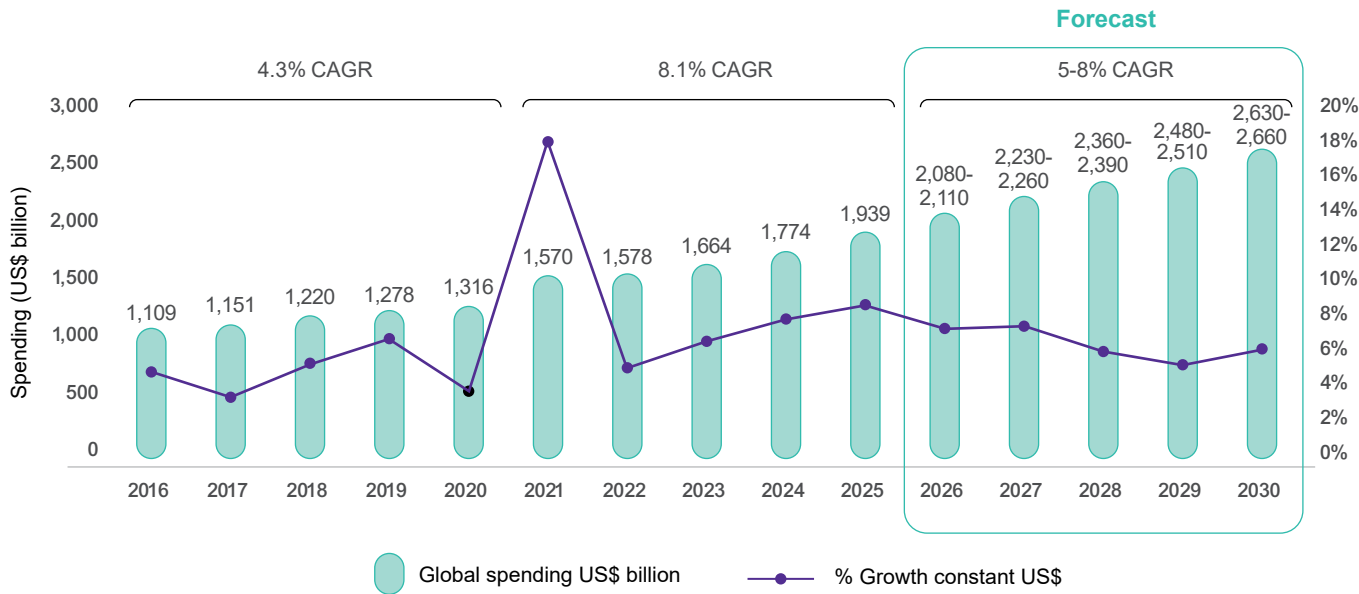


Figure 1 : Global medicine market size and growth (2016 - 2030)



Source: IQVIA Market Prognosis, September 2025; IQVIA Institute, December 2025.

Key trends shaping the industry are discussed below:

Innovation-led Growth

Innovation remains a key driver of industry growth, with IQVIA reporting 79 novel active substances ('NAS') launched globally in 2025, and expecting a similar launch momentum over the next five years. As new sources of innovation emerge, particularly from markets such as China where biopharma deals are recording all-time highs, disciplined portfolio selection, strong partnerships and scalable commercialisation capabilities are becoming increasingly important.



At Dr. Reddy's, we are building our innovation agenda through disciplined portfolio selection, partnerships with innovators, and commercialisation of differentiated products across underserved and scalable markets.

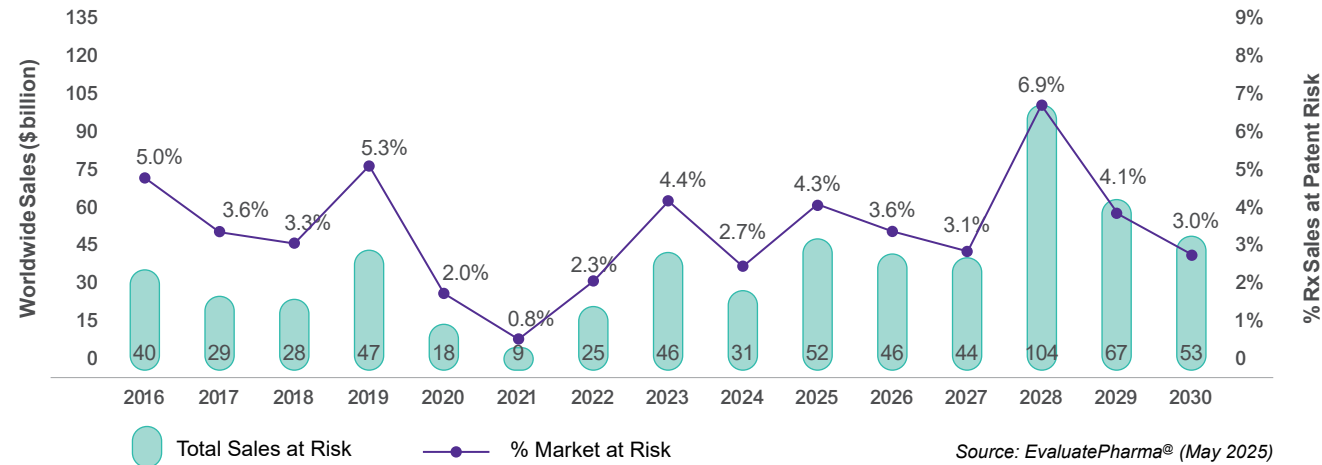
Patent Cliff-led Opportunities

The industry is entering a significant loss-of-exclusivity cycle, with Evaluate projecting more than US\$ 300 billion of drug sales at risk by 2030 (See Figure 2). As innovators turn to mergers and acquisitions ('M&A') to replenish their pipeline, the same patent cliff is also creating meaningful opportunities for generic and biosimilar manufacturers, with complex product capabilities, strong regulatory execution, cost competitiveness and reliable global supply.

US\$ 300+ billion

Drug Sales at risk due to patent expiration by 2030

Figure 2 : Worldwide Drug Sales at risk due to patent expiration (2016 - 2030)



Biologics are becoming central to this opportunity, accounting for 57% of global prescription drug sales by 2030 as per Evaluate.

As more biologics lose exclusivity, biosimilars can improve affordability in high-cost therapies such as oncology and immunology. Evolving regulatory pathways, including the 2025 draft guidance by United States Food and Drug Administration ('USFDA') allowing potential reduction of large comparative efficacy studies where robust analytical and pharmacokinetic data are available, could lower development costs and timelines, while increasing competition.



At Dr. Reddy's, we remain focused on expanding access to small as well as large-molecule therapies as drugs lose exclusivity, supported by integrated capabilities across development, manufacturing and commercialisation as well as strategic partnerships.



Glucagon-Like Peptide-1 (GLP-1) Therapies: Reshaping Metabolic Care

The GLP-1 therapies have emerged as one of the most significant shifts in global healthcare by redefining treatment for diabetes, obesity and related conditions, while opening opportunities for broader access as patent and regulatory pathways evolve. Evaluate expects GLP-1 therapies to grow at ~20% CAGR through 2030, accounting for nearly 9% of global prescription drug sales, with five of the top ten best-selling medicines by then. Semaglutide represents the first major near-term GLP-1 opportunity, with expected patent expiries in markets such as Canada, India, Brazil, Turkey and China creating potential for lower-cost competition and expanded access in this key metabolic therapy.



At Dr. Reddy's, we are participating in this access opportunity starting with our generic semaglutide portfolio, becoming the first company to secure approval in India and Canada, followed by a Day 1 launch in India at market formation. Consistent with our focus on improving affordability in high-demand therapies, we aim to take this key therapy in metabolic health across several markets, subject to regulatory approvals and patent-expiry timelines.

5 of Top 10

Drugs to be GLP-1s by 2030

India's Role as a Global Supplier of Affordable Medicines

The Indian pharmaceutical industry continues to reinforce its position as a major supplier of affordable generic medicines globally. India's pharmaceutical exports crossed US\$ 31 billion in FY2026, with formulations and biologicals contributing significantly to the export basket. As the third-largest producer of drugs by volume, India contributes around 20% of global generic drug exports. With the industry projected to grow at a 10% CAGR and reach US\$ 130 billion by 2034, India's cost-competitive manufacturing base, regulatory capabilities and supply scale continue to support its global relevance, even as expectations around quality, compliance and resilience rise.

Recent tariff developments in the United States ('US') further underscore the US healthcare system's reliance on affordable generics, particularly from India, with generics reportedly remaining exempt from tariffs. Domestically, the Indian Pharmaceutical Market ('IPM') remained resilient, growing 9.9% year-on-year in FY2026 as per IQVIA, supported by chronic therapy growth, new launches and improving healthcare access.



At Dr. Reddy's, we are well placed to support continued access to affordable medicines in the domestic market as well as across developed and emerging markets, as a global Indian pharmaceutical company with broad manufacturing, regulatory and commercial capabilities.

US\$ 130 billion

Size of Indian Pharmaceutical Industry by 2034

Evolving Market Dynamics in the US

The United States remains the world's largest pharmaceutical market and a critical market for Indian generic companies; however, it continues to be characterised by intense price competition, payer consolidation, regulatory scrutiny and increasing product complexity. The USFDA's Generic Drug User Fee Amendments ('GDUFA') III framework aims to improve review efficiency and predictability, including for complex generics, favouring companies with strong compliance, differentiated capabilities and reliable supply execution.

Across the industry, companies are prioritising complex generics, biosimilars, differentiated formulations and platform-led capabilities to offset pressure in traditional oral solids and access higher-value opportunities.



At Dr. Reddy's, our focus in the US remains on strengthening the portfolio through complex products, compliance excellence, cost leadership and reliable supply.

Consumer Health and Self-Care as Emerging Growth Areas

As healthcare systems face rising pressure from ageing populations, chronic disease burden, limited physician access and increasing costs, healthcare models are shifting from episodic treatment to a broader continuum of care spanning prevention, wellness, early intervention and everyday health management.

The over-the-counter ('OTC') and broader consumer health markets are supported by higher health awareness, greater willingness to self-manage routine conditions and expanding access through pharmacy, digital and omnichannel models. For pharmaceutical companies, it offers an adjacent growth opportunity that complements prescription medicines, builds trusted brands, diversifies revenues and enables engagement beyond treatment into prevention and self-management.



At Dr. Reddy's, our acquisition of Nicotine Replacement Therapy ('NRT') products provides an anchor to build a global consumer health franchise, extending our role beyond prescription treatment into prevention, wellness and everyday health management.



Contract Development and Manufacturing Organisation ('CDMO') Opportunity and Partnering Models

The CDMO and pharmaceutical services landscape continues to benefit from innovator demand for reliable, high-quality development and manufacturing partners. Global biopharmaceutical companies are seeking partners with end-to-end capabilities, regulatory track record, cost competitiveness, speed-to-market execution and resilient supply networks. For Indian companies, the CDMO opportunity is supported by strong chemistry capabilities, manufacturing scale and the ability to serve global customers across development and commercial supply.



Through our wholly-owned subsidiary, Aurigene Pharmaceutical Services Limited ('APSL'), we, at Dr. Reddy's, are building an integrated discovery, development and manufacturing platform to serve innovator and biotech partners globally.

Digitalisation Across the Value Chain

Digitalisation, data analytics and artificial intelligence are becoming important enablers across Research and Development ('R&D'), manufacturing, quality and supply chain. McKinsey estimates that generative Artificial Intelligence ('AI') could create US\$ 4 - 7 billion of annual value in biopharma operations, through productivity gains, cost reduction, improved equipment effectiveness and quality enhancements. IQVIA also notes early evidence of productivity benefits in AI-enabled R&D, with Phase I success rates for emerging biopharma programmes at 75% over the last three years. AI is also becoming relevant in manufacturing and quality operations in predictive maintenance, process optimisation, batch record review, visual inspection, deviation analysis, and quality control automation. Industry reports indicate that pharma supply chains are moving from reactive monitoring to predictive intelligence, with AI and machine learning enabling demand sensing, inventory optimisation, disruption prediction, supplier risk assessment, route optimisation and cold-chain monitoring.

US\$ 4 - 7 billion

Value creation by generative AI in Biopharma operations per year



At Dr. Reddy's, we continue to embed digital, analytics and automation-led capabilities across operations to improve productivity, quality, speed-to-market and supply reliability.



Geopolitical Disruptions and Supply Chain Resilience

Geopolitical developments, including the West Asia crisis and Red Sea corridor disruptions, have underscored the vulnerability of global supply chains to maritime chokepoints. For the pharmaceutical industry, such disruptions can affect lead times, freight costs, working capital, cold-chain planning and the availability of critical inputs such as Active Pharmaceutical Ingredients (‘APIs’), intermediates, excipients, packaging materials and devices.

For Indian pharmaceutical exporters, these risks reinforce the importance of supply chain resilience, alternate routing, prudent inventory planning, diversified sourcing and disciplined cost management, particularly given West Asia’s role in energy flows, shipping routes and trade connectivity with Europe, Africa and the Middle East.

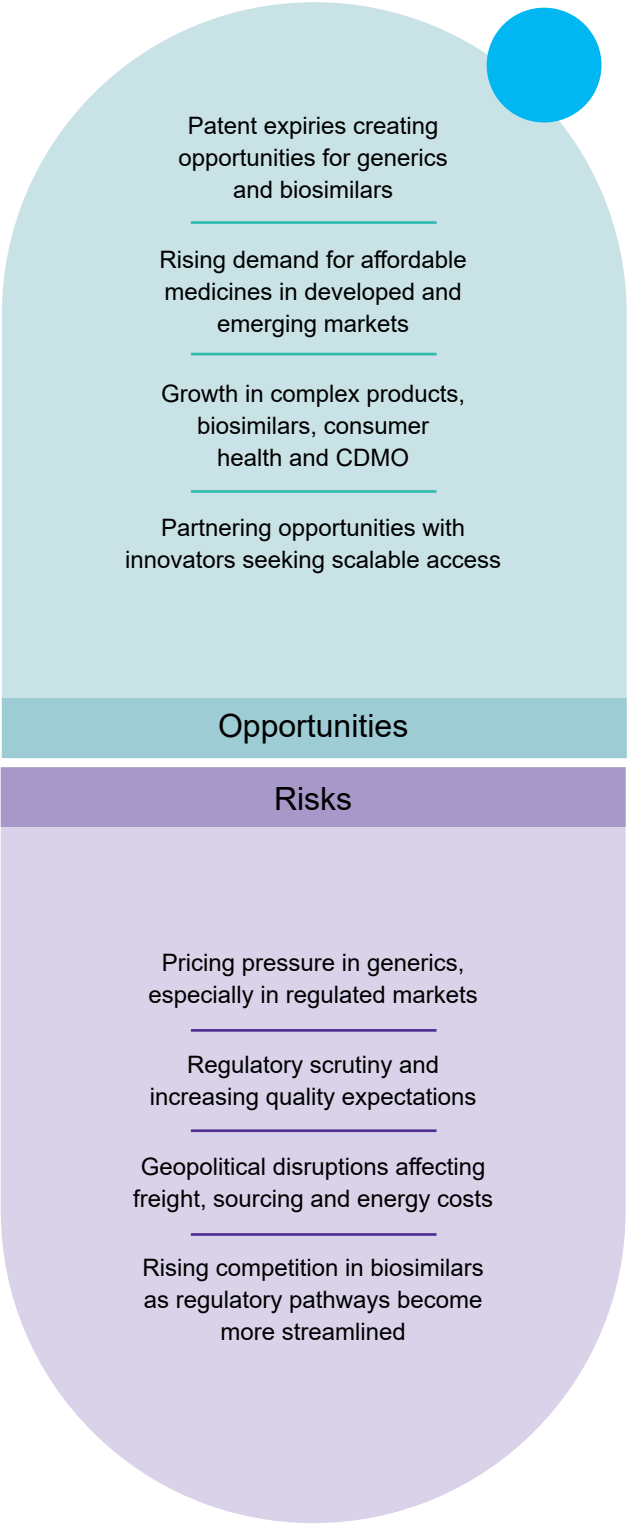


At Dr. Reddy’s, our diversified manufacturing footprint, supply chain planning and agility, and focus on reliable, compliant supply help us manage disruption risks across freight, sourcing, energy and market access.

In summary, the industry outlook remains constructive but increasingly complex. Growth will be driven by innovation, chronic disease demand, biologics, biosimilars, complex generics, consumer health and emerging-market access. At the same time, companies will need to navigate pricing pressure, regulatory expectations, geopolitical disruption, input-cost volatility and the need for reliable, compliant supply.

For Dr. Reddy’s, these trends reinforce the relevance of its strategic theme of “**Securing the core. Building the future.**”, strengthening the generics base while building long-term platforms in biosimilars, consumer health, innovation and pharmaceutical services.

Opportunities and Risks



About our Company

~699 million	88	24
Patients Served	Markets Served	# of Manufacturing Units
9	27,527	64
# of R&D Facilities	Employee Base	Employee Nationalities
6	10	
Rank in US Generics Market	Rank in Indian Pharmaceutical Market ³	

Guided by our philosophy, ‘Good Health Can’t Wait’, Dr. Reddy’s Laboratories Ltd. (‘Dr. Reddy’s’, ‘DRL’, or ‘the Company’) is a global pharmaceutical company committed to accelerating access to affordable and innovative medicines for patients worldwide. Our approach translates scientific depth, operational excellence and responsible growth into delivering meaningful health outcomes.

We are an integrated, science-led and patient-centric pharmaceutical company, with 33 locations across manufacturing and R&D operations, enabling us to serve over 85 markets worldwide, supported by a diverse workforce of over 27,500 employees. Our end-to-end capabilities across R&D, manufacturing and commercialisation enable us to support diverse healthcare needs across geographies and therapy areas, while maintaining a consistent focus on quality, reliability and compliance.

Business Segments

We conduct our operations through the following business segments:

Global Generics (‘GG’), focuses on the development, manufacturing and commercialisation of branded and unbranded prescription medicines, aimed at addressing access and affordability challenges across developed and emerging markets. The segment also

includes differentiated and complex offerings, such as biosimilars, peptides, injectables as well as consumer healthcare products and innovation-led offerings. Our approach to portfolio expansion combines internal development, targeted in-licensing, acquisitions and partnerships to accelerate market entry, while also optimising risk.

Pharmaceutical Services and Active Ingredients (‘PSAI’), is an end-to-end integrated platform, covering the full pharmaceutical value chain across manufacturing and marketing of APIs and intermediates; incremental value-added products, such as semi-finished and finished formulations as well as discovery and contract development and manufacturing operations through APSL, our wholly-owned subsidiary. PSAI leverages scalable supply, complex chemistry capabilities and competitive cost structures, serving both internal formulation requirements and external customers, including global innovators, biotechs and other generic formulators.

‘Others’, includes revenues from our wholly-owned subsidiary, Aurigene Oncology Limited, which advances innovative oncology assets, as well as our Proprietary Products business that focuses on commercialising differentiated clinical stage biotech formulations through strategic partnerships.

³ Source: IQVIA Moving Annual Total (‘MAT’) March 2026



Global Footprint

Dr. Reddy's operates an integrated, global network of 24 manufacturing facilities and nine R&D facilities worldwide, with capabilities spanning APIs, oral solid dosage forms, and sterile injectables. Designed with scale, sustainability, and LEAN-led efficiency at its core, and supported by regulatory approvals in major developed and emerging markets, our operating model enables us to navigate increasing product complexity and serve global markets with consistency and reliability.

Our nine API manufacturing units across India, Mexico, United Kingdom ('UK') as well as US offer capabilities across general, high-potency and specialised chemistries, supported by backward integration into key intermediates. Our formulations network comprises eight oral solid and topical units, three sterile injectable units as well as three biologics manufacturing units, enabling assured and reliable supply across a broad range of product categories. We also operate a manufacturing facility through a joint venture in China.

Our manufacturing and R&D activities are conducted in compliance with Current Good Manufacturing Practices ('cGMP') and are supported by 'Quality by Design' principles and advanced digital and analytics-driven capabilities, enhancing productivity, quality, speed-to-market and consistency across the value chain.

Our continued focus on supply chain effectiveness, supported by our integrated demand-supply planning approach ensures reliable on-time, in-full ('OTIF') delivery, enhances visibility, optimises inventories and enables timely response to market dynamics.

Access and affordability remain central to our strategy. Our key markets include the United States, Europe, India, Russia, Commonwealth of Independent States ('CIS') countries, Brazil, South Africa, Vietnam, China, and Colombia amongst others. Our portfolio and development efforts are concentrated in therapy areas characterised by long-term relevance and unmet need, including Oncology, Central Nervous System, Pain Management, Gastro-Intestinal, Cardiovascular, Respiratory, Anti-Infectives, Diabetology amongst others. By FY2026, Dr. Reddy's reached over 699 million people globally, with a stated ambition to expand access to over 1.5 billion people worldwide by 2030.

Strategy

The continued emphasis on "Securing the core. Building the future." reflects the consistency of our strategic direction, which involves balancing near-term execution with longer-term capability building.

Our strategy is underpinned by three core tenets:

- Strengthening market positions in selected therapies and geographies
- Driving operational excellence and continuous improvement to enhance productivity and capital efficiency
- Advancing innovation, enabled through platforms, partnerships and selective investments

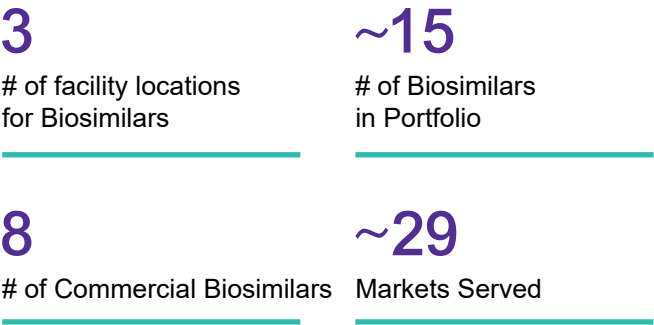
The first two tenets align with '**Securing the core**' and are focused on strengthening our legacy, generics businesses through disciplined execution, operational excellence and consistent delivery across markets where we have strong endowment, a proven execution track record and long-term growth potential. This includes reinforcing market positions in priority therapies and geographies by ensuring reliable supply and maintaining quality and compliance standards, while driving efficiencies and cost leadership.

The final tenet aligns with '**Building the future**' and is anchored around developing future capabilities to build and scale our identified long-term growth drivers, namely biosimilars, consumer health and innovation-led offerings.



Our global Biosimilars capabilities extend our access and affordability philosophy beyond our established small-molecule generics portfolio, to large-molecule therapies as several biologics face loss of exclusivity over the coming years.

Our biosimilars business, reported within the GG segment, is a fully integrated organisation with over 25 years of experience, encompassing capabilities across development, manufacturing and commercialisation.



Our disciplined in-house portfolio strategy focuses on biosimilars with a clear right-to-win, characterised by limited competition and strong relevance in standard-of-care therapy areas such as Oncology and Auto-immune diseases. Internal development capabilities are further augmented through strategic collaborations to enhance portfolio depth and deployment efficiency. Our current biosimilars portfolio (See Figure 3) comprises ~15 products, including eight commercial products, primarily marketed in India and Emerging Markets, with commercialisation underway in Europe through our own front-end commercial team. One of our products has also been commercialised in the US and in Europe through our partner. We are also advancing a robust pipeline across therapeutic areas of focus, with assets in various stages of development for global commercialisation.

To support global expansion, we have expanded manufacturing capacity at our Bachupally facility in Hyderabad, which includes six drug substance plants and two drug product plants, and have additionally leased a drug substance manufacturing facility in Hyderabad.

Figure 3: Our Biosimilars Portfolio

Product	Therapeutic Area	Presence	
		Regulated Markets	Emerging Markets
Rituximab	Oncology	Awaiting approval in the US Approved in Europe and UK	Commercial
Bevacizumab	Oncology	Commercial in UK	Commercial
Pegfilgrastim	Oncology	Commercial in US and Europe through partner	Commercial
Trastuzumab	Oncology	-	Commercial
Darbepoetin	Anaemia	-	Commercial
Filgrastim	Oncology	-	Commercial
Denosumab	Osteoporosis/Oncology	Filed in US, Commercial in Europe	-
Pertuzumab	Oncology	-	Commercial in India; Filed in select countries in Emerging Markets
Abatacept	Rheumatoid arthritis	Filed in US (Intravenous) and Under development for Europe and US (Subcutaneous)	Filed in India
Daratumumab	Oncology	Under development for US and Europe	-
Ustekinumab	Anti-inflammatory	-	Under development for South Asia and Colombia
Golimumab	Anti-inflammatory	-	Under development for South Asia
Pembrolizumab	Oncology	Under development for US and Europe	Under development
Nivolumab	Oncology	-	Filed in India
Secukinumab	Anti-inflammatory	-	Under development for South Asia



The global consumer health business enables us to support individuals across the continuum of care - from prevention and wellness to the management of everyday health needs - alongside treatment through our existing portfolio of prescription medicines.



Our innovation efforts are focused on addressing unmet medical needs, in addition to furthering our purpose of access and affordability, through differentiated and patient-relevant solutions to patients who would otherwise have no/limited access to such therapies.

Our consumer health business, revenues of which are reported under the GG segment, primarily comprises a portfolio of leading brands outside the United States in the NRT category, acquired in 2024 (the 'Acquired NRT Business'). The portfolio is anchored by Nicotinell®, supported by strong local market-leading brands including Nicabate® (Australia), Thrive® (Canada) and Habitrol® (New Zealand and Canada). The brands have a presence across over 30 countries spanning Europe, Asia (including Japan), and Latin America, and are offered in multiple formats, including lozenges, patches and gums, with additional products in the pipeline. Operations have been largely transitioned from the seller, Haleon plc, to Dr. Reddy's through a phased integration approach, aimed at ensuring continuity. The acquired portfolio serves as a platform and anchor for building a global consumer health franchise of the Company.

Our Innovation Portfolio primarily comprises novel products and advanced therapies, accessed through global partnerships with innovators, to serve underserved markets. We leverage our global footprint, commercial capabilities and deep value chain relationships, reinforcing our role as a 'partner-of-choice' for innovator companies seeking access at scale. This partnership-led approach through in-licensing, co-development and strategic partnerships, enhances portfolio depth, accelerates development timelines, provides access to differentiated platforms and technologies, while maintaining capital discipline and enabling efficient risk sharing. Revenues from commercialised products are reported under the GG segment within respective geographies.

Sustainability is embedded into our strategic and operational decision-making, shaping how we innovate, manufacture and govern, while aligning business growth with societal and environmental responsibility. Together, these elements guide our progress towards long-term aspirations around sustained growth, robust returns, and expanded global reach, while creating enduring value for stakeholders.

Dr. Reddy's Performance Update, FY2026

FY2026 demonstrated a resilient performance, amid product-specific headwinds and several one-off impacts. We reported highest-ever revenues, supported by double-digit growth in the underlying base business. We continued to scale our established base business, strengthen our commercial capabilities, selectively invest in building a differentiated pipeline as well as expanding manufacturing capacities, while driving efficiencies across operations. We secured approvals for our key products, generic semaglutide, an important therapy in metabolic health, in India and launched the product on Day 1 of its market formation upon loss of exclusivity. We continue to advance the product in several other markets, in line with our strategy and subject to regulatory approvals. During the year, we also made meaningful progress on our stated future growth drivers of biosimilars, consumer healthcare as well as innovation.

Consolidated revenues in FY2026 were ₹ 335.9 billion, a growth of 3% compared to the previous year. The revenue growth was impacted by lower lenalidomide sales as well as a one-time shelf stock adjustment ('SSA') of ₹ 4.53 billion related to the product. This impact was partially offset by double-digit growth in the underlying base business, supported by contributions from the Acquired NRT Business, as well as favourable foreign exchange movements.

Global Generics

₹ 299.0 billion
Revenues

220
of Launches

3%
Year-on-Year Growth

212
of Filings

89%
% of Consolidated Revenues

Revenue from GG in FY2026 was ₹ 299.0 billion, a growth of 3% compared to the previous year. This was largely on account of robust performance witnessed across most key geographies, except North America that was impacted by lower lenalidomide sales and the one-time SSA, indicated earlier; further aided by contribution of the Acquired NRT Business.

Highest-ever
Revenues

₹ 335.9 billion
Consolidated Revenues

3%
Year-on-Year Growth



In FY2026, GG contributed to around 89% of our Company's overall sales. Some key highlights of the segment for the year were:

- A total of 220 products were launched across geographies in FY2026.
- A total of 212 global filings were done in FY2026.

Some key updates for the segment during the year were:

- Filed the Biologics License Application ('BLA') for the Intravenous ('IV') presentation of our abatacept biosimilar candidate in the US in December 2025, which was subsequently accepted for review by the USFDA.
- Received European Commission ('EC') approval and marketing authorisation from Medicines and Healthcare products Regulatory Agency ('MHRA') in UK for partnered biosimilar, denosumab. Launched the product in Europe starting December 2025.
- Expanded partnership with Alvotech to co-develop, manufacture and co-commercialise pembrolizumab, a biosimilar candidate to Keytruda® for global markets.
- Expanded partnership with Bio-Thera Solutions through an exclusive commercialisation and licence agreement for proposed biosimilar Secukinumab for select countries in Southeast Asia.
- Entered into an exclusive in-licensing for Pertuzumab with Qilu Pharmaceutical for Latin American, Central American and Caribbean markets.

- Extended partnership agreement with Prestige Biopharma for Trastuzumab for additional territories in Latin America.
- Received recommendation from Subject Expert Committee ('SEC') for the manufacturing and commercialisation of nivolumab biosimilar in India.
- Received a Complete Response Letter ('CRL') for rituximab biosimilar BLA, in reference to the ongoing resolution of observations arising from the Pre Approval Inspection ('PAI') of our Biologics facility at Bachupally, Hyderabad, Telangana, India conducted in September 2025, as well as certain aspects pertaining to the BLA. Further, received a Post- Application Action Letter ('PAAL') from USFDA, in relation to the response submitted to the aforesaid mentioned observations related to rituximab biosimilar. We continue to work on resolving the same.
- Received a CRL from the USFDA for denosumab biosimilar BLA, developed by our partner, Alvotech, referring to the observations from a pre-license inspection of Alvotech's Reykjavik manufacturing facility.

Advancing innovation through novel biologics:

- Received acceptance for review of Investigational New Drug ('IND') application for COYA 302, an Investigational Combination Therapy for treatment of Amyotrophic Lateral Sclerosis ('ALS'), marking continued progress of our exclusive partnership with Coxa Therapeutics for its development and commercialisation.



North America Generics ('NAG')

₹ 113.7 billion
Revenue

34%
% of Consolidated Revenues

(22)%
Year-on-Year Decline

6
Rank in US Generics Market

12.6% vs. 1.6%
Growth vs. US Generics Market⁴

280+
of Commercialised Products

25
of Launches

77
of Filings Pending Approval

44
of Para-IV filings Pending Approval

22
of FTF ANDAs Pending Approval

15
of ANDA Filings

347
of Cumulative ANDA Filings

In FY2026, our largest market, NAG, contributed to 38% of our Company's GG sales and 34% of overall sales. Revenue from the region for FY2026 was ₹ 113.7 billion or approximately US\$ 1.2 billion, representing a decline of 22% over the previous year. The decline was largely on account of lower sales of lenalidomide and the one-time SSA, indicated above.

⁴ Source: IQVIA MAT March 2026





Some key updates for the segment during the year were:

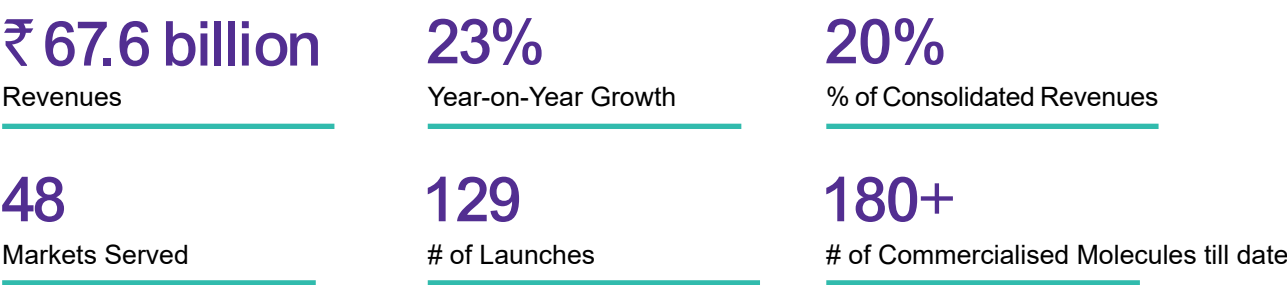
- Launched sacubitril valsartan tablets, generic version of Entresto® indicated for heart failure management in the US.
- Launched partnered product, fluorouracil cream, as an authorised generic of Extrovis AG's CARAC® in the US.
- First-to-market launch of olopatadine hydrochloride ophthalmic solution, in the US.
- Launched 25 new products in the region.
- Filed 15 new Abbreviated New Drug Applications ('ANDAs') with the USFDA.
- Cumulative ANDA filings as of March 31, 2026 is 347.
- As of March 31, 2026, we had 77 generic filings pending approval from the USFDA. These comprise of 75 ANDAs and two New Drug Applications ('NDAs') filed under the Section 505(b)(2) route of the US Federal Food, Drug, and Cosmetic Act. Of the 77 filings pending approval, 44 are Paragraph-IV ('Para-IV') applications, including one NDA, and we believe that 22 of these have the 'First to File' ('FTF') status.
- Received a Notice of Non-Compliance from Pharmaceutical Drugs Directorate in Canada for Semaglutide injection, during the year, outlining requests for additional information and clarifications on specific aspects of our submission. After the close of the fiscal year FY2026, a Notice of Compliance was received, making our Company the first to be approved in Canada for generic Semaglutide.

Outlook for North America Generics Business

We continue to focus on a balanced mix of complex product portfolio, including peptides, injectables, drug device combinations, potential first-to-market opportunities as well as Branded Over-the-counter products. We continue to invest in the biosimilars space, which remains a key growth driver in the future. We continue to balance portfolio gaps through inorganic opportunities, while also focusing on cost leadership.



Emerging Markets



Revenue from Emerging Markets for FY2026 was ₹ 67.6 billion, an increase of 23% as compared to the previous year. The growth was driven by market share gains, contributions from new product launches as well as favourable foreign exchange movements. In FY2026, Emerging Markets contributed to 23% of our GG sales, making it the second largest geography within the segment and 20% of our overall sales.

Some key highlights of the segment for the year were:

- Launched Skorolox, first International Nonproprietary Name ('INN') loxoprofen in Russia for treatment of acute upper respiratory tract infections and indicated for musculoskeletal & postoperative pain.
- Partnered with Theramex to license linzgolix, used in the treatment of uterine fibroids in adult women, for Russia, CIS countries and Romania.
- Launched toripalimab in Australia as the first and only immunotherapy for a rare and aggressive type of head and neck cancer listed on Pharmaceutical Benefits Scheme, as well as in Russia, after the successful launch in India.
- Launched K-CAB, i.e. tegoprazan, a partnered, patented molecule indicated for acid-related gastrointestinal diseases, in Russia under the brand name, 'Tegoprex®', after a successful launch in India.

- Collaborated with Immutep for commercialisation of a novel, immunotherapy oncology drug, eftilagimod alfa, in key markets outside North America, Europe, Japan, and Greater China. Following an interim Phase III futility analysis, the trial for non-small cell lung cancer study has been discontinued.
- Launched a total of 129 new products across various countries within the segment this year.

Revenue from Russia for FY2026 was ₹ 34.8 billion, representing an increase of 34% over the previous year. However, in local currency ('Russian Rouble') terms, there was an increase of 15% over the previous year. The growth in local currency terms was largely attributable to higher volumes and price increases in certain brands. IQVIA ranked us 16th in terms of sales value in Russia for the twelve months ended March 31, 2026.

Revenue from CIS countries and Romania for FY2026 was ₹ 9.1 billion, representing an increase of 2% over the previous year. The benefit of higher pricing and contribution from new launches were partially offset by lower sales volumes.

Revenue from our Rest of the World markets (which includes Brazil, South Africa, Vietnam, China, Colombia and several other markets) for FY2026 was ₹ 23.7 billion, representing an increase of 19% over the previous year. The increase is largely attributable to higher sales volumes as well as new products launched during the year, partially offset by price erosion across markets.

Outlook for Emerging Markets Business

We will continue to strengthen market share in selected therapy areas by scaling 'Mega Brands' across prescription and OTC segments and with a steady cadence of new launches, supported by sales and marketing excellence. Our focus remains on scaling key markets such as Russia and Brazil, while expanding into new geographies by leveraging our global portfolio of generics, peptides and biosimilars, alongside selective in-licensing. We are building a differentiated pipeline of first-to-market products focused on oncology and cardio-metabolic therapies, such as semaglutide, biosimilars and New Chemical Entities ('NCEs')/New Biological Entities ('NBEs') through partnerships, while systematically building our capabilities to effectively commercialise these products.



India

₹ 62.2 billion

Revenues

16%

Year-on-Year Growth

19%

% of Consolidated Revenues

12.1% vs. 9.9%

Growth vs. IPM

10

Overall IPM Rank⁵

1

IPM Rank in Stomatologicals⁵

2

IPM Rank in Vaccines⁵

530+

Total # of Brands

23

of ₹ 100 Crore+ Brands⁵

15

of Brands in IPM Top 300⁵

28

of Launches

~8,100

Field Force

~₹ 670,000

Per Capita
Per Month ('PCPM')

Revenue from India in FY2026 was ₹ 62.2 billion, a growth of 16% compared to the previous year. In FY2026, India contributed to 21% of our global generics sales, making it the third-largest geography within the segment and 19% of our overall sales. Growth was driven by revenues from new launches, including the innovation franchise and acquired portfolios, along with price increases and higher volumes. As of March 31, 2026, we had a total of 530+ branded products in India and a field force of over 8,100 sales representatives (excluding those on contract) to promote our product portfolio. According to IQVIA in its report for the 12-month period ended March 31, 2026, our secondary sales grew by 12.1%, faster than the market growth at 9.9%. Our market rank was 10th in terms of sales value as per the same report.

Aligned with our strategy, we continued to leverage our core endowments to scale our mega brands, introduce differentiated and innovative assets, and expand our

consumer health and nutrition portfolio, supported by a disciplined focus on productivity to drive sustainable growth and to further strengthen our position in the Indian Pharmaceutical market.

Some key highlights of the segment during the year were:

- Recorded sustained double-digit growth through FY2026, supported by growth in big brands, new product introductions including licensed innovative assets and acquisitions, and strong commercial execution across therapy areas, outperforming the IPM.
- Launched India's first Drugs Controller General of India ('DCGI') approved generic semaglutide for Type-2 Diabetes on Day 1 of market formation in India.
- Received marketing authorisation for generic Semaglutide tablets in India for treatment of Type 2 diabetes from DCGI, following the recommendation of Subject Expert Committee under Central Drugs Standard Control Organisation.

- Entered the anti-vertigo segment through the acquisition of the Stugeron® portfolio, including leading local brands across 18 markets in the Asia-Pacific and Europe, Middle East, and Africa regions, with India and Vietnam as key markets for US\$ 50.5 million.
- Forayed into Hormone Replacement Therapy segment in India through the acquisition of trademarks, Progynova® and Cyclo-Progynova®, and related assets for India from Mercury Pharma Group Limited for US\$ 32.15 million.
- Expanded collaboration with Sanofi to launch Beyfortus™ (Nirsevimab), a novel drug for preventing Respiratory Syncytial Virus in India.
- Launched Tegoprazan, a partnered, patented molecule indicated for acid-related gastrointestinal diseases, in India under the brand name, 'PCAB®.'
- Launched Linaclotide, a novel drug for Chronic Constipation management in adults, in India under the brand name, 'Colozo®'.

- Launched Sensimune in India, an immunotherapy product for house dust mite-induced allergies, in partnership with ALK-Abelló.
- Launched Hevaxin®, a novel, recombinant vaccine for the prevention of Hepatitis-E virus infection in India.
- Launched TPGS docetaxel, an innovative form of docetaxel, licensed from Therdose, used to treat various forms of cancer.
- Licensed picankibart, indicated for moderate to severe plaque psoriasis, from Innovent in China.
- Divested two non-core brands and discontinued certain R&D programs in Chimeric Antigen Receptor T-cell ('CAR-T') therapy as part of portfolio prioritisation.
- Launched 28 new brands in the country.
- 15 brands are among the top 300 brands of the Indian pharmaceuticals market such as Mintop, Bro-Zedex, Cidmus, Vantej, etc.
- 23 of our brands had revenues in excess of ₹ 1 billion in FY2026 as per IPM data.

Building a GLP-1 ecosystem:

Our Day-1 entry into India's GLP-1 receptor agonist therapy space with Obeda®, the country's first DCGI-approved generic semaglutide, is anchored in an end-to-end care ecosystem approach, encompassing in-house development and manufacturing capabilities, robust clinical evidence and comprehensive patient support. Backed by a head-to-head Phase III study with 312 participants demonstrating non-inferior efficacy and comparable safety to the innovator, Obeda® reinforces the Company's depth in complex product development and peptide science. Introduced in patient-friendly, once-weekly injectable formats at an accessible price point, Obeda® supports Dr. Reddy's broader pursuit of building a comprehensive GLP-1 portfolio for metabolic disorders, including diabetes and obesity. Beyond the drug, the ecosystem integrates:

SemaKare™ support programme for onboarding, device training, tele-support, adherence monitoring

Metabolic centres of excellence to strengthen diagnostics, education for healthcare professionals, real-world evidence, sustainable device-disposal practices and

Nutrition support via Dr. Reddy's Nestlé Health Science (e.g., Celevida GLP+, Optifast)

We also aim to introduce generic semaglutide in several countries and, through our 'One Product, One Quality' approach, ensure consistent high-quality standards across all markets.

101 million

Adults living with diabetes in India

134 million

Pre-diabetic adults in India

1 in 4

Adults living with abdominal obesity in India

Source: Indian Council of Medical Research - India Diabetes Study

Outlook for India Business

We remain focused on scaling our 'mega brands' to enhance our leadership in priority therapies through disciplined product management, lifecycle extensions, sharper sales execution and focused omnichannel go-to-market actions. We shall continue to drive differentiation through first-to-market and early-to-India launches of novel, high-value innovative therapies from in-house development and selective in-licensing. We shall continue to grow consumer-centric brands, supported by our association with Nestlé Health Science and to expand modern trade, e-commerce and alternative channels. Productivity will continue to be an enabler. We plan to achieve this by strengthening efficiency, prioritisation and execution quality to build resilience and enable sustained, market-beating growth.

⁵ Source: IQVIA MAT March 2026



Europe

₹ 55.5 billion
Revenues

17%
% of Consolidated Revenues

55%
Year-on-Year Growth

38
of Generic Product Launches*

36
Markets Served^

Revenue from Europe in FY2026 was ₹ 55.5 billion, representing a growth of 55% over the previous year. The increase in revenues was propelled by contributions from the recently Acquired NRT Business, growth in sales volume and new product launches across our major markets, which was partially offset by price erosion in some of our generic products. Excluding revenues from the Acquired NRT Business, revenue growth was 14% over the previous year.

*Excluding the Acquired NRT Business

^Includes select countries outside continental Europe served by the Acquired NRT Business; revenues reported under Europe.

In FY2026, Europe contributed to 19% of our GG sales and 17% of our overall sales.

Some key highlights of the segment for the year were:

- Integration of the acquired NRT Business largely completed; ~95% completed as on March 31, 2026.
- Launched 38 new generics products (excluding the recently acquired NRT business) across countries within the segment.

Outlook for Europe Business

We remain focused on expanding access to affordable generics and biosimilars across European markets. We have a robust pipeline across multiple therapy areas, including a balanced mix of Intellectual Property ('IP')-driven Day-1 launches, low-competition opportunities, and high-volume commodity products, particularly in cardiovascular and Central Nervous System therapies. Products are sourced through a combination of in-house development and manufacturing, as well as partnerships with high-quality suppliers, ensuring consistent quality and cost-effective access.

For our global consumer healthcare business, the year ahead is positioned as a phase of stabilisation, post integration of the NRT business and lay the foundation for long-term growth and scale. As part of this journey, we are sharpening our brand growth strategy around a focused set of value-creation levers over the coming years:

- Strengthening brand equity through targeted advertising and promotional initiatives.
- Accelerating the introduction of differentiated and consumer-relevant innovations.
- Scaling our presence across priority markets.
- Pursuing selective inorganic opportunities to build a more robust global consumer health platform.



Pharmaceutical Services and Active Ingredients

₹ 34.7 billion
Revenues

3%
Year-on-Year Growth

10%
% of Consolidated Revenues

128
of Global Filings

1,748
of Active Filings as on date

280
of Active US DMFs as on date

16
of US DMFs Filed

The PSAI business recorded revenues of ₹ 34.7 billion in FY2026, an increase of 3% compared to the previous year. In FY2026, PSAI contributed to 10% of our overall sales. This increase was largely on account of new APIs launched during the year as well as growth in our CDMO business, in the backdrop of pricing pressure and elevated external cost volatility.

Some key highlights of the segment during the year were:

- Partnered with Unitaid, the Clinton Health Access Initiative ('CHAI'), and Wits Reproductive Health and Human Immunodeficiency Virus ('HIV') Institute ('Wits RHI') to make HIV prevention tool, Lenacapavir, affordable in 120 low- and middle-income countries.
- Signed non-binding strategic co-operation term sheet with Hybio Pharmaceutical on Peptide APIs.
- Enabled a first-to-launch oncology product in Japan, among the earliest oral solid products developed and manufactured in India for the Japanese market.
- Partnered with Global Antibiotic Research and Development Partnership ('GARDP') on zoliflodacin for novel treatment of drug-resistant gonorrhoea.
- APSL, our CDMO business, served as the exclusive API manufacturer for two of 46 novel drugs approved by USFDA in 2025.
- APSL delivered three discovery programs through its in-house, AI-assisted drug discovery platform, 'Aurigene.AI'.
- Filed 128 drug master files ('DMFs') globally in FY2026, of which 16 were in the US. Cumulatively, our total active DMFs filed worldwide as of March 31, 2026 were 1,748, including 280 active DMFs filed in the US.

Partnering to improve Access and Affordability

In 2025, Dr. Reddy's entered into a landmark agreement with Unitaid, CHAI and Wits RHI to expand access to injectable lenacapavir, an HIV prevention therapy originally developed by Gilead Sciences. Dr. Reddy's will manufacture and supply a high-quality generic version at ~US\$ 40 per person per year across 120 low- and middle-income countries from 2027, aligning its cost with oral alternatives. Despite a nearly 40% reduction in new HIV infections since 2010, an estimated 1.3 million new infections were reported globally in 2024, underscoring the continued need for effective prevention solutions. As a twice-yearly injectable with strong efficacy, lenacapavir offers a meaningful option for populations facing challenges with daily oral regimens.





Outlook for PSAI

- We continue to scale complex and value-added portfolios across geographies, strengthen differentiated platforms - including peptides, oncology and advanced manufacturing - and deepen high-quality development partnerships. While pricing pressure and input-cost volatility may persist, our focus remains on improving cost competitiveness and ensuring reliable, compliant supply.
- For our CDMO business, we remain committed to offering an integrated suite of services that supports the efficient and timely development and commercialisation of new medicines. We aim to be a partner of choice for global pharmaceutical companies, underpinned by leadership in cost and service.

Others

Others segment recorded revenues of ₹ 2.1 billion in FY2026, at a similar level as the previous year. In FY2026, this segment contributed to 1% of our overall sales. Around three-fourths of the segment's revenues is contributed by AOL, while the remaining is from the proprietary products business, including milestone income on out-licensed products.

Quality Update

At Dr. Reddy's, we uphold a rigorous, patient-centric quality culture, anchored in a strong organisational mindset and a sustained commitment to excellence, supported by continued investments in our people, systems, and infrastructure.

Our focus is on building quality into products and processes from the outset through sound design principles and disciplined manufacturing practices, rather than depending solely on documentation or post-production testing. In addition, every product undergoes extensive testing prior to release, and our global pharmacovigilance programme provides ongoing oversight of the safety and performance of our marketed portfolio.

We strive towards continually enhancing our Quality Management Systems ('QMS') by simplifying and streamlining our procedures. In FY2026, we have made significant strides in integrating digital technologies and AI into our QMS to enable real-time, data-driven decision making. We continue to focus on building robust, digitally-enabled systems to ensure the highest standards of quality and customer service.

Our efforts to upskill and train our employees, with best-in-class tools and literature, continue to enable them to adhere to the high quality benchmarks that we are committed to.

All our facilities operate to globally recognised cGMP standards and are strengthened by advanced digital tools, analytics, and risk-based quality frameworks. The compliance status of our manufacturing sites has ensured timely approvals and launches as well as uninterrupted supply of safe, effective, and high-quality medicines to patients worldwide.

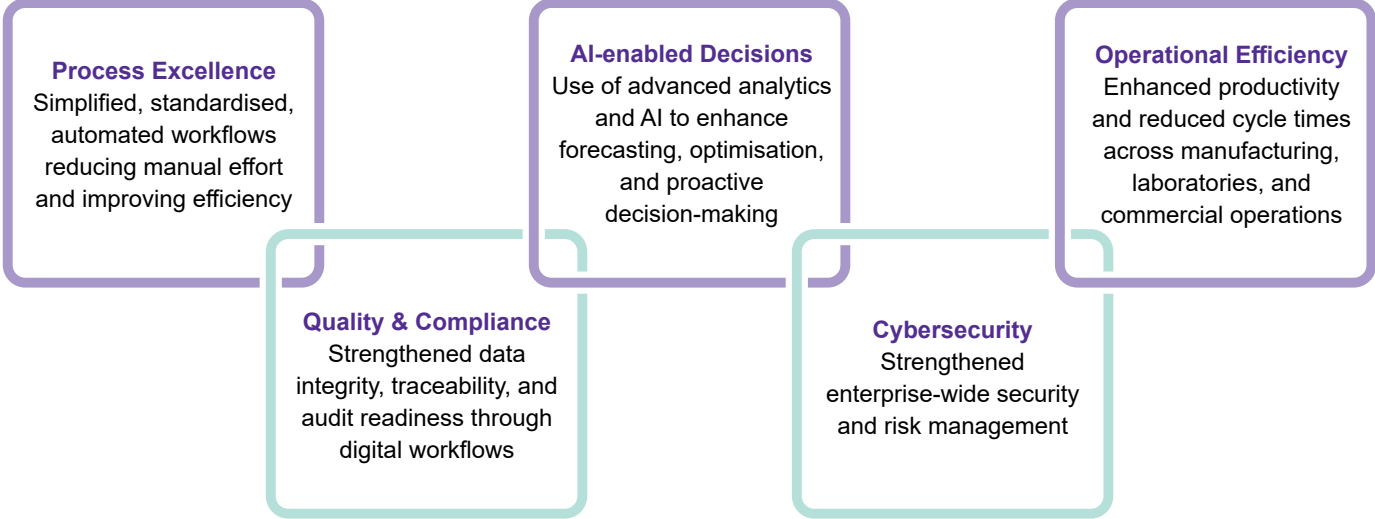
Digital Transformation Update

We continue to advance our digital transformation agenda through a structured and integrated approach, aligned with our organisational priorities of operational excellence, strengthening competitiveness, and enhancing patient outcomes.

Our digital platforms are increasingly supporting commercial growth, R&D productivity, and manufacturing efficiency. Building on the digital transformation efforts over the years, our strategic areas of focus during FY2026 were:

- **Process Redesign:** Re-engineering and digitising core processes as well as embedding AI-led interventions across the value chain
- **Scaling AI & Analytics:** Expanding AI-led insights
- **Low-Touch Operations:** Driving automation and exception-based workflows
- **Future-Ready Capabilities:** Building technology and talent to support evolving business needs
- **Digital Foundations:** Strengthening infrastructure, data governance, and enterprise architecture

Digitalisation Outcomes



Internal assessments and external benchmarking indicate that our digital maturity remains aligned with leading global organisations, supported by adherence to frameworks including National Institute of Standards and Technology ('NIST'), International Organization for Standardization ('ISO'), Sarbanes-Oxley Act ('SOX') compliance frameworks.

As we look ahead, our focus will continue to remain on expanding process excellence and AI-enabled capabilities, increasing adoption and execution discipline to drive faster, insight-led decisions and sustained value creation for stakeholders.

To read more about our digitisation initiatives, please refer to Page 21 of our Integrated Report.

People Update

During FY2026, we continued to strengthen organisational effectiveness by closely aligning talent, capabilities, and execution with our strategic priorities. Our focus remained on enhancing execution discipline, building future-ready skills, and leadership depth across levels to support sustained growth, while navigating increasing scale and business complexity. During the year, we made steady progress in enhancing leadership and critical talent readiness, strengthening role-to-value alignment, and improving organisational agility to drive productivity and speed. We also advanced digital enablement and learning initiatives, while furthering our transition towards a 'role-based, skills-first' organisation, supporting

scalable operations and more effective workforce deployment. In parallel, we reinforced our commitment to inclusive growth and a strong, values-led culture, supporting business continuity, mitigating people and execution risks, and ensuring consistent performance across markets.

To read more about our detailed people practices and initiatives, please refer to Page 41-47 of our Integrated Report.





Financial Update

Table 1 gives the abridged IFRS consolidated revenue performance of Dr. Reddy's for FY2026 compared to FY2025.

Table 2 gives the consolidated income statement.

Table 1: Consolidated Revenue Mix by Segment (In million)

Particulars	FY2026			FY2025			Growth %
	US\$	(₹)	%	US\$	(₹)	%	
Global Generics	3,187	299,033	89.0	3,086	289,552	88.9	3
North America	1,212	113,737	33.9	1,547	145,164	44.6	(22)
Emerging Markets#	721	67,608	20.1	584	54,771	16.8	23
India	663	62,186	18.5	573	53,734	16.5	16
Europe*	592	55,501	16.5	382	35,882	11.0	55
PSAI	371	34,774	10.4	361	33,846	10.4	3
Others	23	2,127	0.6	23	2,137	0.7	(0.5)
Total	3,580	335,933	100.0	3,469	325,535	100.0	3

*Europe primarily includes Germany, the UK, Italy, France and Spain as well as the acquired NRT business.

#Emerging markets refer to Russia, other CIS countries, Romania and Rest of the World markets.

Table 2: Consolidated Income Statement (In million, except Earnings per Share ('EPS'))

Particulars	FY2026			FY2025			Growth %
	US\$	(₹)	%	US\$	(₹)	%	
Revenues	3,580	335,933	100.0	3,469	325,535	100.0	3
Cost of Revenues	1,691	158,669	47.2	1,440	135,107	41.5	17
Gross Profit	1,889	177,264	52.8	2,030	190,428	58.5	(7)
Operating Expenses							
Selling, General & Administrative expenses	1,138	106,763	31.8	1,000	93,870	28.8	14
Research and Development expenses	256	24,058	7.2	292	27,380	8.4	(12)
Impairment of non-current assets	38	3,519	1.0	18	1,693	0.5	108
Other operating expenses/ (income)	(81)	(7,627)	(2.3)	(46)	(4,358)	(1.3)	75
Results from operating activities	539	50,551	15.0	766	71,843	22.1	(30)
Finance expense/(income), net	(44)	(4,132)	(1.2)	(50)	(4,724)	(1.5)	(13)
Share of loss/(profit) of equity accounted investees, net of income tax	(1)	(134)	(0.0)	(2)	(217)	(0.1)	(38)
Profit before income tax	584	54,817	16.3	818	76,784	23.6	(29)
Income tax expense	132	12,351	3.7	208	19,539	6.0	(37)
Profit for the period	453	42,466	12.6	610	57,245	17.6	(26)
Attributable to:							
Equity holders of the parent	457	42,850	12.8	603	56,544	17.4	(24)
Non-controlling interests	(4)	(384)	(0.1)	7	701	0.2	(155)
Diluted Earnings Per Share (EPS)	0.55	51.42		0.72	67.78		(24)

Revenues

Revenues grew by 3% to ₹ 335,933 million in FY2026. The revenue growth was impacted by lower lenalidomide sales as well as a one-time SSA related to the product, as indicated earlier. This impact was partially offset by healthy growth in the underlying base business, supported by contributions from the Acquired NRT Business, as well as favourable foreign exchange movements.

Gross Profit

Gross profit decreased by 7% to ₹ 177,264 million in FY2026. This led to a gross profit margin of 52.8% in FY2026, representing a decrease of 573 basis points compared to the previous year. The gross profit margin for GG was 56.7%, while for the PSAI business, the gross profit margin was 17.2%. The decline was primarily due to reduced sales of Lenalidomide, price erosion in North America and Europe Generics, adverse product mix, lower operating leverage in PSAI and a one-time SSA impact of ₹ 4,530 million, indicated earlier, as well as a one-time provision related to the impact of changes in employee benefit obligations under the new Labour Codes in India ('New Labour Codes Provision') of ₹ 412 million.

Selling, General, and Administrative ('SG&A') Expenses

SG&A expenses increased by 14% to ₹ 106,763 million in FY2026. The increase was mainly attributable to focused sales and marketing investments to reinforce existing brands and scale new initiatives, including the Acquired NRT business, together with higher personnel expenses. SG&A also included a one-time provision related to a potential Value Added Tax ('VAT') liability as well as a one-time New Labour Codes provision. SG&A accounted for 31.8% of revenues in FY2026.

Research and Development expenses

R&D expenses decreased by 12% to ₹ 24,058 million in FY2026. The decrease is primarily on account of lower spend in biosimilars, given large part of the spend was completed for a key asset. Developmental efforts continue in a focused manner to build a healthy pipeline of complex products, including peptides, as well as biosimilars across our markets. The R&D spend also included a one-time New Labour Codes Provision as well as one-time charges related to certain discontinued CAR-T assets. R&D accounted for 7.2% of revenues in FY2026.

Impairment of Non-Current Assets

In FY2026, there was a charge of ₹ 3,519 million on impairment of non-current assets, in comparison to ₹ 1,693 million in the previous year. The charge in FY2026 was related to impairment of certain intangibles due to challenging market conditions, trial discontinuation of a partnered product etc. resulting in lower recoverable value compared to the carrying value.

Net Other Operating Income

In FY2026, net other operating income was ₹ 7,627 million, versus ₹ 4,358 million in the previous year. This increase was primarily on account of income from divestment of certain non-core product related intangibles i.e., trademarks and marketing rights of ₹1,890 million as well as one-time reversal in liabilities associated with the discontinuation of a pipeline product.

Net Finance Income

Net Finance Income was ₹ 4,132 million in FY2026, versus ₹ 4,724 million in FY2025. The decrease was largely on account of lower foreign currency exchange gain in comparison to FY2025.

Profit before tax

Profit before tax decreased by 29% to ₹ 54,817 million in FY2026, versus ₹ 76,784 million in FY2025. This represents a margin of 16.3% of revenues versus 23.6% in FY2025.





Net Profit

Net Profit decreased by 26% to ₹ 42,466 million in FY2026, versus ₹ 57,245 million in the previous year. This represents a margin of 12.6% of revenues versus 17.6% in FY2025.

The effective tax rate was lower at 22.5% for FY2026 on account of the recognition of a previously unrecognised deferred tax asset on operating tax losses, during the year ended March 31, 2026, reversal of deferred tax on indexation of land during the year ended March 31, 2025 and an increase in the proportion of the Company's profits coming from lower tax jurisdictions and a decrease in the proportion of profits from lower tax jurisdictions for the period ended March 31, 2026, as compared to the period ended March 31, 2025.

Profit after tax attributable to the equity holders of the parent company was ₹ 42,850 million for the year ending March 31, 2026, representing 12.8% of our total revenues for such period.

Liquidity and Capital Resources

Net Cash generated from operating activities in FY2026 was ₹ 56,755 million. Net outflow due to investing activities amounting to ₹ 65,513 million in FY2026 includes acquisitions, net investment in property, plant, equipment, and intangibles to build capacity and capabilities for future business growth. Cash inflow from financing activities during the fiscal was ₹ 8,290 million. Closing cash and cash equivalents on March 31, 2026, was ₹ 15,368 million. The data is given in Table 3. Table 4 represents the consolidated working capital as on March 31, 2026 and March 31, 2025.

Table 3: Consolidated Cash Flow (in ₹ million)

Particulars	FY2026	FY2025
Opening Cash and Cash Equivalents	14,593	7,107
Cash flows from:		
(a) Operating Activities	56,755	46,428
(b) Investing Activities	(65,513)	(58,077)
(c) Financing Activities	8,290	18,911
Effect of exchange rate changes	1,243	224
Closing Cash and Cash Equivalents*	15,368	14,593

*Closing cash balance adjusted for Bank Overdraft of ₹ 61 million for year ended March 31, 2025.

Table 4: Consolidated Working Capital (in ₹ million)

Particulars	As on March 31, 2026	As on March 31, 2025	Change
Trade Receivables (A)	101,219	90,420	10,799
Inventories (B)	76,531	71,085	5,446
Trade Payables (C)	33,411	35,523	(2,112)
Working Capital (A+B-C)	144,339	125,982	18,357
Other Current Assets (D)	124,225	88,607	35,618
Total Current Assets (A+B+D)	301,975	250,112	51,863
Short & Long-term loans and borrowings, current portion (E)	65,138	38,902	26,236
Other Current Liabilities (F)	69,017	55,967	13,050
Total Current Liabilities (C+E+F)	167,566	130,392	37,174

Debt-Equity

In FY2026, long-term borrowings, including the current and non-current portion, increased by ₹ 9,485 million, net as compared to FY2025. On March 31, 2026, our Company's debt-to-equity ratio was 0.20, which is higher than that on March 31, 2025, which was at 0.14. Table 5 below gives the data. The net debt-to-equity position was at (0.09) versus (0.07) last year.

Table 5: Debt and Equity Position (in ₹ million)

Particulars	As on March 31, 2026	As on March 31, 2025	Change
Total Shareholder's Equity	380,457	337,166	43,291
Long-term debt (current portion)	6,003	857	5,146
Long-term debt (non-current portion)	12,203	7,864	4,339
Short-term borrowings	59,135	38,045	21,090
Total Debt	77,341	46,766	30,575

Internal Controls

Our Company has in place an established, robust system of internal controls commensurate with the nature, size and complexity of its business. These controls are designed to provide reasonable assurance with regard to the orderly and efficient conduct of operations, safeguarding of assets, accuracy and completeness of accounting records, amongst others. The internal control framework is supported by well-defined policies and procedures, process automation, employee training and appropriate segregation of duties.

Our internal audit function acts as an independent assurance and advisory function, responsible for evaluating and improving the effectiveness of our Company's risk management, internal control and governance processes.

The Audit Committee of the Board oversees the adequacy and effectiveness of internal controls and periodically monitors the performance of the internal audit function through review of audit plans, significant audit findings and the status of remediation actions.

Further, the Statutory Auditors also review the internal control systems, as considered necessary, to determine the audit procedures required for opining on the financial statements of our Company.

To read more about our internal control systems, please refer to Page 235 of our integrated report.

Enterprise-wide Risk Management ('ERM') Update

Our ERM framework is designed to systematically identify, evaluate and address key sectoral, operational, strategic and business risks. The function works closely with cross-functional teams and continuously tracks emerging industry developments to ensure a comprehensive view of the risk landscape.

Risks identified across the organisation are consolidated and classified into defined categories, spanning preventable internal risks, strategic organisational risks and risks influenced by external environments. The ERM function partners with assurance, business and operations teams to develop and implement appropriate mitigation measures.

The Executive Risk Management Committee, constituted under the Company's Risk Management Policy, provides management-level oversight and guidance. It supports the prioritisation of enterprise-wide risks and steers mitigation actions.

At the Board level, the Audit Committee and the Risk Management Committee supervise the effectiveness of the overall risk management framework and review the assessment and management of key risks.

During FY2026, our risk assessment and mitigation efforts remained focused on areas such as global trade dynamics, product-related considerations, intellectual property, cybersecurity, data security and privacy, ethics and compliance, quality, regulatory and safety, among others, as well as emerging risks emanating from geopolitical tensions, which continue to influence the external risk environment.

To read more about our ERM governance, please refer to Page 86 of our integrated report and Page 163 for our Business Responsibility and Sustainability Report.



Environmental, Social and Governance ('ESG') Update

Our approach to sustainability is anchored in driving positive social impact by advancing patient health outcomes globally through access to affordable and innovative medicines, cultivating a diverse, inclusive and equitable workplace, embedding environmental priorities in our operations, and maintaining high standards of responsible business conduct.

In FY2026, we made steady progress against our 12 stated ESG goals, particularly across our climate and access priorities. We increased our adoption of renewable energy to 78% from 68% in the previous year, while carbon neutrality in direct operations improved to 72% from 60%. Further, we surpassed

our access goal of 40% first-to-market launches in priority markets, achieving 43% in FY2026 compared with 29% in the previous year, underscoring our focus on bringing affordable, differentiated products to patients faster.

Building on the near-term science-based targets announced in October 2020 and aligned with the latest Science Based Targets initiative (SBTi) guidance, this year, we strengthened our climate ambition by adopting science-based near- and long-term targets aligned to a Net Zero pathway. During FY2026, these targets were formally validated by the SBTi and include:

Near-term targets

An 80% reduction in absolute Scope 1 and Scope 2 emissions by FY2030 from the FY2023 base year, along with a 51.6% reduction in Scope 3 emissions intensity (value added in ₹) over the same period.

Long-term targets

A 90% reduction in absolute Scope 1, Scope 2 and Scope 3 emissions by FY2045, relative to the FY2023 base year.

Net Zero ambition

Achieving Net Zero greenhouse gas emissions across the value chain by FY2045.



Dr. Reddy's is the only Indian pharmaceutical company to commit to a science-based Net Zero target by FY2045.

To read more about the mitigation strategy for our updated material risks and opportunities, please refer to Page 163 of our Business Responsibility and Sustainability Report.

To read more about our ESG progress, programmes, and impact, please refer to the Strategic Review section on Page 24 onwards of our Integrated Report.



Outlook

FY2026 was a year of resilient performance, despite product-specific headwinds and certain one-off impacts. During the year, we made meaningful progress on advancing our strategic priorities, continued to strengthen our foundation for long-term growth through focused execution, targeted investments in R&D and capability-building, and by leveraging partnerships and our global scale.

In the fiscal ahead, our focus will remain on securing our core while building our future. We will continue to improve the health of our base business through cost discipline, operational excellence and portfolio optimisation across verticals. In parallel, we will scale our long-term growth platforms in biosimilars, consumer health and innovation, supported by disciplined capital allocation, focused organisational structures and partnerships that expand access to advanced, patient-relevant healthcare solutions. With a strong balance sheet, global scale and robust execution capabilities, we will continue to pursue sustainable growth while advancing our purpose of 'Good Health Can't Wait' – improving access to affordable and innovative medicines and creating long-term value for stakeholders.

Cautionary Statement

The management of Dr. Reddy's Laboratories Limited has prepared and is responsible for the financial statements that appear in this report. These are in conformity with IFRS, as issued by the International Accounting Standards Board, and accounting principles generally accepted in India and, therefore, include amounts based on informed judgements and estimates. The management also accepts responsibility for the preparation of other financial information that is included in this report. This write-up includes some forward-looking statements, within the meaning of Section 27A of the US Securities Act of 1933, as amended and Section 21E of the US Securities Exchange Act of 1934, as amended.

The management has based these forward-looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially. These factors include, but are not limited to, changes in local and global economic conditions, changes in government regulations, ability to successfully implement the strategy, manufacturing or quality control outcomes, ability to achieve expected results from investments in our product pipeline, change in market dynamics, technological change, currency fluctuations, and exposure to various market risks. By their nature, these expectations and projections are only estimates and could be materially different from actual results in the future. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis and assumptions only as of the date hereof. In addition, readers should carefully review the other information in this annual report and in our periodic reports and other documents filed with all the stock exchanges.



FIVE YEARS AT A GLANCE

(₹ million)					
Year ending March 31	2026	2025	2024	2023	2022
Income Statement Data					
Revenues	335,933	325,535	279,164	245,879	214,391
Cost of revenues	158,669	135,107	115,557	106,536	100,551
Gross profit	177,264	190,428	163,607	139,343	113,840
as a % of revenues	52.8	58.5	58.6	56.7	53.1
Operating Expenses:					
Selling, general and administrative expenses	106,763	93,870	77,201	68,026	62,081
Research and development expenses	24,058	27,380	22,873	19,381	17,482
Impairment of non-current assets	3,519	1,693	3	699	7,562
Other Operating (income) / expenses, net	(7,627)	(4,358)	(4,199)	(5,907)	(2,761)
Total operating expenses	126,713	118,585	95,878	82,198	84,364
Operating income	50,551	71,843	67,729	57,144	29,476
as a % of revenues	15.0	22.1	24.3	23.2	13.7
Finance Costs, net:					
Finance income	7,870	7,553	5,705	4,281	3,077
Finance expenses	(3,738)	(2,829)	(1,711)	(1,428)	(958)
Finance (expense) / income, net	4,132	4,724	3,994	2,853	2,119
Share of profit of equity accounted investees, net of income tax	134	217	147	370	703
Profit before income tax	54,817	76,784	71,870	60,367	32,298
Income tax benefit/(expense)	(12,351)	(19,539)	(16,186)	(15,300)	(8,730)
Profit for the year	42,466	57,245	55,684	45,067	23,568
as a % of revenues	12.6	17.6	19.9	18.3	11.0
Attributable to:					
Equity holders of the parent company	42,850	56,544	55,684	45,067	23,568
Non-controlling interests	(384)	701	-	-	-
Earnings per share (₹)#					
Basic	51.5	67.9	66.9	54.3	28.4
Diluted	51.4	67.8	66.8	54.2	28.3
Dividend declared per share for the year (₹)	8	8	8	8	6
Balance Sheet Data					
Cash and cash equivalents, net of bank overdraft	15,368	14,593	7,107	5,779	14,852
Operating working capital*	144,339	125,982	112,931	94,712	92,076
Total assets	579,346	492,989	387,518	321,854	296,654
Total long-term debt, excluding current portion	12,203	7,864	5,990	1,278	5,746
Total stockholders' equity	380,457	337,166	280,550	230,991	190,527
Additional data					
Net cash provided by / (used in):					
Operating activities	56,755	46,428	45,433	58,875	28,108
Investing activities	(65,513)	(58,077)	(40,283)	(41,373)	(26,387)
Financing activities	8,290	18,911	(3,763)	(26,861)	(2,422)
Effect of exchange rate changes on cash	1,243	224	(59)	286	733
Expenditure on property, plant and equipment & Intangibles	(38,425)	(34,398)	(27,435)	(18,864)	(19,049)

* Operating working capital = Trade receivables + Inventories - Trade payables

Computed after giving effect to 1:5 forward stock split effective October 28, 2024 for all periods presented. Refer to Note 2.10 of consolidated financial statements on Page 423 for further details regarding such stock split.

Previous period figures have been restated, wherever applicable, to align with the current reporting structure.

KEY FINANCIAL RATIOS

(₹ million)					
Year ending March 31	2026	2025	2024	2023	2022
Profitability Ratios					
EBITDA margin %	23%	28%	30%	30%	24%
Gross Margin %	53%	58%	59%	57%	53%
Global Generics	57%	62%	63%	62%	58%
PSAI	17%	27%	23%	16%	22%
Net Profit Margin (%)	13%	17%	20%	18%	11%
Return on Net Worth (%)	11%	17%	20%	20%	12%
Asset Productivity Ratios					
Fixed Asset Turnover	3.1	3.7	3.9	3.8	3.6
Total Assets Turnover	0.6	0.7	0.8	0.8	0.8
Working Capital Ratios					
Working Capital Days	203	210	219	182	214
Inventory Days	170	193	196	163	184
Debtors Days	108	95	103	103	108
Creditor Days	75	78	80	84	79
Gearing Ratios					
Net Debt/Equity	(0.09)	(0.07)	(0.23)	(0.21)	(0.08)
Interest Coverage	13.6	25.5	39.7	40.3	31.5
Current Ratio	1.8	1.9	2.6	2.4	1.9
Valuation Ratios^					
Diluted Earnings per share (₹)	51.4	67.8	66.8	54.2	28.3
Book Value per share (₹)	456	404	336	277	229
Dividend Payout	16%	12%	12%	15%	21%
Trailing Price/Earnings Ratio	24.4	16.9	18.4	17.0	30.2

- (1) Net Profit Margin is computed by considering Profit attributable to Equity Holders of Parent Company
- (2) Fixed Asset Turnover: Net Sales / Avg Net Fixed Assets (Property, plant and equipment)
- (3) Total Asset Turnover: Net Sales / Avg Total Assets
- (4) Working Capital Days: Inventory Days + Receivable Days – Payable Days
- (5) Inventory Days: (Closing Inventory as on end of March) / (Cost of Revenue during last 6 months) * 182
- (6) Receivable Days: outstanding receivables netted-off with the daily average sales; starting from the latest month
- (7) Payable Days: (Closing Trade Payables - as on end of March) / (Material cost during last 3 months) * 90
- (8) Book Value per share: Equity/Outstanding equity shares
- (9) Dividend Payout: DPS/EPS
- (10) Trailing price: Closing share price on the last working day of March

^Computed after giving effect to 1:5 forward stock split effective October 28, 2024 for all periods presented. Refer to Note 2.10 of consolidated financial statements on Page 423 for further details regarding such stock split.

Previous period figures have been restated, wherever applicable, to align with the current reporting structure.

BOARD’S REPORT

Dear Members,

Your Directors are pleased to present the 42nd Annual Report, highlighting the Business Performance along with the Audited Financial Statements for the financial year ended March 31, 2026. This report epitomizes our commitment to transparency, accountability, and the highest standards of corporate governance.

Financial Highlights and Company Affairs

Table 1 gives the consolidated and standalone financial highlights of the Company based on Indian Accounting Standards (Ind AS) for Financial year 2026 (i.e. from April 1, 2025 to March 31, 2026) compared to the previous financial year.

The Company's consolidated total income for the year was ₹ 350.6 billion, which was up by 4% over the previous year. Profit before tax (PBT) was ₹ 53.9 billion, representing a decline of 30% over the previous year.

The Company's standalone total income for the year was ₹ 222.2 billion, which was down by 8% over the previous year. PBT was ₹ 42.5 billion, which was lower by 41% over the previous year.

Revenues from lines of business and geographies given below are from the Company's IFRS results.

Revenues from Global Generics were up by 3% and stood at ₹ 299.0 billion. All geographies except North America, i.e. Europe, India and Emerging Markets, contributed towards the growth, which was further augmented by the contributions from the acquired Consumer Healthcare business in Nicotine Replacement Therapy ('NRT') and favourable foreign exchange rate movements.

Revenues from North America stood at ₹ 113.7 billion, reported a year-on-year decline of 22%. This was largely on account of lower revenues from lenalidomide. During the year, the Company filed 15 Abbreviated New Drug Applications ('ANDAs') in the United States (US). As of March 31, 2026, there were 77 generic filings awaiting approval with the US Food and Drug Administration (USFDA), comprising 75 ANDAs and two New Drug Applications filed under Section 505(b)(2) of the Federal Food, Drug and Cosmetic Act.

Revenues from Emerging Markets were ₹ 67.6 billion, a year-on-year growth of 23%. The growth was attributable to new launches across markets and higher volumes, further supported by favourable foreign exchange movements.

Revenues from India stood at ₹ 62.2 billion, a year-on-year growth of 16%. Growth was driven by revenues from new brand launches, including our innovation portfolio, price increases and higher volumes.

Revenues from Europe were ₹ 55.5 billion, a year-on-year growth of 55%. The growth was primarily on account of revenues from the acquired NRT business and new generic product launches, momentum in the base business volumes and favourable foreign exchange movements, partially offset by price erosion in generics.

Revenues from Pharmaceutical Services and Active Ingredients (PSAI) stood at ₹ 34.8 billion, which was higher by 3% compared to previous year. Growth was due to revenues from new launches of Active Pharmaceutical Ingredient ('API') products, momentum in the pharmaceutical services business and favourable foreign exchange movements, offset by lower API prices. During the year, the Company filed 128 Drug Master Files (DMFs) worldwide, including 16 filings in the US.

Table 1 FINANCIAL HIGHLIGHTS

The Company's financial performance (standalone and consolidated) for the year ended March 31, 2026 is summarised below:

PARTICULARS	CONSOLIDATED			STANDALONE		
	FY2026	FY2025	Growth (%)	FY2026	FY2025	Growth (%)
	(₹ Million)					
Total Income	350,586	337,412	4	222,224	241,188	(8)
Profit before depreciation, amortization, impairment and tax	77,899	95,308	(18)	55,992	83,789	(33)
Depreciation and Amortization	20,588	17,037	21	12,074	10,394	16
Impairment of non-current assets	3,518	1,693	108	1,405	1,036	36
Profit before tax and before share of equity accounted investees	53,793	76,578	(30)	42,513	72,359	(41)
Share of profit of equity accounted investees, net of tax	134	217	(38)	-	-	-
Profit before tax	53,927	76,795	(30)	42,513	72,359	(41)
Tax Expense	12,351	19,543	(37)	10,316	18,865	(45)
Net Profit for the year	41,576	57,252	(27)	32,197	53,494	(40)
Opening balance of retained earnings	300,522	249,980	20	259,539	212,054	22
Net profit for the year	41,960	56,551	(26)	32,197	53,494	(40)
Dividend paid during the year	(6,659)	(6,662)	0.05	(6,659)	(6,662)	0.05
Transfer from SEZ re-investment Reserve, net	-	653	(100)	-	653	(100)
Closing balance of retained earnings	335,823	300,522	12%	285,077	259,539	10%

Share Capital

During the reporting year; there's no change in Authorised Share Capital of the Company.

The paid-up share capital of your Company increased by ₹ 201,605 from ₹ 834,455,365 to ₹ 834,656,970 in FY2026 due to allotment of 201,605 equity shares of ₹ 1/- each, upon exercise of stock options by eligible employees through the 'Dr. Reddy's Employees Stock Option Scheme, 2002' and 'Dr. Reddy's Employees ADR Stock Option Scheme, 2007'. The equity shares issued pursuant to the above Employee Stock Option Schemes rank pari-passu with the existing equity shares of the Company.

As on March 31, 2026, the Company's Share Capital stands at:

Share Capital	Amount (in ₹)
Authorised Share Capital	1,45,00,00,000
Paid-up Share Capital	83,46,56,970

Dividend

Your Directors are pleased to recommend a final dividend of ₹8/- (800%) on every equity share of ₹1/-, each fully paid-up for FY2026 subject to the approval of the members of the Company at this 42nd Annual General Meeting ("AGM"). As per the Dividend Distribution Policy of the Company, the amount of maximum dividend pay-out (including interim dividend) can be up to 20% of the cash profit under consolidated financial statement prepared under Indian Accounting Standards (IND-AS).

The recommended dividend is in line with the provision of the said policy. The dividend, if approved at the 42nd Annual General Meeting ("AGM") will be paid to those members whose names appear on the register of members of the Company as of end of the day on July 10, 2026. The total dividend pay-out will be approximately ₹ 668 Crores resulting in a pay-out of 10.2% of the consolidated cash profit for the financial year ended March 31, 2026. Such dividend will be taxable in the hands of the members in terms of the provisions of the Income Tax Act, 2025.



In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Dividend Distribution Policy, is available on the Company's website on <https://www.drreddys.com/cms/cms/sites/default/files/2022-09/Dividend%20distribution%20policy.pdf>

Transfer to Reserve

The Company has not transferred any amount to the general reserve for the year ended March 31, 2026.

Public Deposit

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 (the "Act").

Change in the Nature of Business, If Any

During the year, there was no change in the nature of business of the Company. Further, there was no Significant change in the nature of business carried on by its subsidiaries.

Material changes and commitments affecting the financial position between the end of the financial year and date of the report

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and as on the date of this report.

Subsidiaries, Joint Ventures and Associates

The Company has overall 57 entities, comprising 45 overseas subsidiary companies (including step-down subsidiaries), 9 subsidiary companies (including step-down subsidiary) in India and 3 joint venture and associate companies as on March 31, 2026. Changes during the FY2026 were as follows:

- Dr. Reddy's Laboratories SA, wholly owned subsidiary of the Company incorporated 'Dr. Reddy's Laboratories (Vietnam) Company Limited, as a wholly owned subsidiary in Vietnam on May 9, 2025, consequently the said entity became wholly-owned step-down subsidiary of the Company.
- Imperial Owners and Land Possessions Private Limited (Formerly Imperial Credit Private Limited), wholly owned subsidiary of the Company liquidated and stands dissolved with effect from August 5, 2025.

Further, the Company sold its entire shareholding in Svaas Wellness Limited ("Svaas"), consequently effective from April 7, 2026, Svaas ceased to be wholly owned subsidiary of the Company.

Section 129(3) of the Act, states that where the Company has one or more subsidiaries or associate companies, it shall, in addition to its financial statements, prepare a consolidated financial statements of the Company and of all its subsidiaries and associate companies in the same form and manner as that of its own and also attach along with its financial statements, a separate statement containing the salient features of the financial statements of its subsidiaries and associates.

Hence, the consolidated financial statements of the Company and all its subsidiaries and associates, prepared in accordance with Ind AS 110 and AS 111 as specified in the Companies (Indian Accounting Standards) Rules, 2015, forms part of the Integrated Annual Report. Moreover, a statement containing the salient features of the financial statements of the Company's subsidiaries and joint ventures in the prescribed Form AOC-1, is attached as **Annexure I** to this Board's Report. This statement also provides details of the performance and financial position of each subsidiary and joint venture. In accordance with Section 136 of the Act, the audited financial statements and related information of the Company and its subsidiaries, wherever applicable, are available on the Company's website: <https://www.drreddys.com/>. These are also available for inspection during regular business hours at our registered office in Hyderabad, India and/or in electronic mode.

Material Subsidiaries

In terms of Regulation 16(1)(c) of the SEBI Listing Regulations, Material Subsidiary shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year and the listed entity shall formulate a policy for determining its 'material' subsidiary.

Accordingly, the Company has three material overseas subsidiary companies as on March 31, 2026, namely, Dr. Reddy's Laboratories Inc. (USA), Dr. Reddy's Laboratories SA (Switzerland), Northstar Switzerland SARL.

The Policy for determining Material Subsidiaries is available on the Company's website and can be accessed at: <https://www.drreddys.com/cms/sites/default/files/media-library/Policy%20for%20determining%20of%20material%20subsidiaries%20%282%29.pdf>

Further, in terms of Regulation 24(1) of the SEBI Listing Regulations, at least one Independent Director on the Board of the Company shall be a Director on the Board of an unlisted material subsidiary, i.e. a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated

turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year, whether incorporated in India or not.

In compliance with the said provisions, Mr. Arun M Kumar (DIN: 09665138), Independent Director of the Company, was appointed as a Director on the Board of Dr. Reddy's Laboratories Inc. (USA) w.e.f. September 21, 2022 and Dr. Claudio Albrecht (DIN: 10109819), Independent Director of the Company, was appointed as a Director on the Board of Dr. Reddy's Laboratories SA (Switzerland) w.e.f July 6, 2023.

Particulars of Loans, Guarantees or Investments

The Company makes investments or extends loans/ guarantees to its subsidiaries for their business purposes. Details of loans, guarantees and investments covered under Section 186 of the Act, along with the purpose for which such loan or guarantee was proposed to be utilized by the recipient, form part of the notes 2.24, 2.6 A, and 2.6 C to the standalone financial statements provided in this Integrated Annual Report.

Integrated Report

Your Company has adopted the Integrated Annual Report for FY2026, which includes both financial and non-financial information. The reporting weaves together our purpose, values, strategy, governance, performance and future outlook, all of which influence the material aspects of our business.

Corporate Governance and Additional Shareholders' Information

A detailed report on the Corporate Governance systems and practices of the Company is given in a separate chapter of this Integrated Report. Similarly, other information for shareholders is provided in the chapter on Additional Shareholders' Information. The Company has also formulated a Group Governance Policy to monitor governance of its unlisted subsidiaries across the globe.

A certificate from M/s. S.R. Batliboi & Associates LLP, Statutory Auditors of the Company, confirming compliance with the conditions of corporate governance is attached to the chapter on Corporate Governance forming part of this Integrated Report.

Management Discussion and Analysis

A detailed report on the Management Discussions and Analysis in terms of Regulation 34 of the SEBI Listing Regulations is provided as a separate chapter forming part of this Integrated Annual Report.

Business Responsibility and Sustainability Report (BRSR)

The BRSR for FY2026 as mentioned under Regulation 34 of the SEBI Listing Regulations, is given as a separate chapter forming part of this Integrated Report.

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the BRSR Core parameters for the financial year ended March 31, 2026 have been assured on a limited and reasonable basis by DNV Assurance Private Limited, as disclosed in the BRSR forming part of this Integrated Report.

Board of Directors and Key Managerial Personnel (KMP)

Appointment of Independent Director

The Board of Directors, at their meeting held on May 12, 2026, approved the appointment of Mr. Srikanth Velamakanni (DIN: 01722758) as an Additional Director in the category of an Independent Director of the Company, for a term of five consecutive years commencing from July 1, 2026 up to June 30, 2031, not liable to retire by rotation, subject to approval of the shareholders at the ensuing 42nd Annual General Meeting.

The Company has received necessary declarations and confirmations from Mr. Velamakanni confirming that he meets the criteria of independence as prescribed under the Companies Act, 2013 and the SEBI Listing Regulations and that he is not disqualified from being appointed as a Director.

Further, Mr. Velamakanni is not related to any Director or Key Managerial Personnel of the Company and has not been debarred from holding the office of Director by virtue of any order of the Securities and Exchange Board of India or any other authority. In the opinion of the Board, the aforesaid Directors are persons of integrity and possess relevant expertise, experience and proficiency required to effectively contribute to the affairs of the Company.

A brief profile of Mr. Velamakanni is provided in the Notice convening the 42nd AGM for the information of the shareholders.

Re-appointment of Independent Director

Dr. K P Krishnan (DIN: 01099097) an independent Director of the Company is going to complete his first term as an Independent Director on January 6, 2027. Based on the recommendation of the Nomination, Governance and Compensation Committee, the Board of Directors, at their meeting held on May 12, 2026 approved the re-appointment of Dr. Krishnan, as an Independent Director of the Company for a second term of five consecutive years from January 7, 2027 to January 6, 2032, subject to the approval of shareholders at the ensuing 42nd AGM.



A brief profile of Dr. Krishnan is provided in the Notice convening the 42nd AGM for the information of the shareholders.

Retirement by Rotation

During the year, the shareholders at the 41st Annual General Meeting held on July 24, 2025, approved the re-appointment of Mr. G V Prasad as a whole-time Director, designated as Co-Chairman and Managing Director of the Company for a further period of five years with effect from January 30, 2026 to January 29, 2031, liable to retire by rotation.

Mr. K Satish Reddy (DIN: 00129701), Whole-time Director, designated as Chairman, is liable to retire by rotation at the forthcoming 42nd AGM and being eligible, seeks re-appointment. The shareholders had approved re-appointment of Mr. K Satish Reddy, Whole-time Director, designated as Chairman of the Company for a period of five years effective from October 1, 2022 to September 30, 2027.

A brief profile of Mr. K Satish Reddy is provided in the Notice convening the 42nd Annual General Meeting forming part of this Integrated Report.

Changes in Key Managerial Personnel (KMP)

During the year under review, there were no changes in the Key Managerial Personnel of the Company. As on the date of this report, the Company has the following Key Managerial Personnel as per Section 2(51) and Section 203 of the Act:

Sl. No	Name of KMP	Designation
1	Mr. G V Prasad	Co-Chairman and Managing Director
2	Mr. Erez Israeli	Chief Executive Officer
3	Mr. M V Narasimham	Chief Financial Officer
4	Mr. K Randhir Singh	Company Secretary, Compliance Officer & Head-CSR

Declaration by Independent Directors

In accordance with Section 149(7) of the Companies Act, 2013, each Independent Director has confirmed that he or she meets the criteria of independence laid down in Section 149(6) of the Act and is in compliance with Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 as well as Regulation 16(1)(b) of the SEBI Listing Regulations. Furthermore, each Independent Director has affirmed adherence to the Code of Conduct for Independent Directors prescribed in Schedule IV of the Act, and the Board has duly taken these declarations on record after assessing their veracity.

Board Evaluation

Pursuant to the provisions of the Act, and the SEBI Listing Regulations, the Board has carried out performance evaluation of its own performance, the Directors (including the Chairman and Co-Chairman) individually, as well as the evaluation of the working of the Committees. An independent external agency, EgonZehnder, a leadership advisory firm on board matters, was engaged to conduct the Board evaluation for FY2026. The recommendations were discussed with the Board and individual feedback was provided to the Directors. Further details of Board evaluation are provided in the Corporate Governance chapter of this Integrated Report.

Appointment of Directors and Nomination, Governance and Compensation Policy

Assessment and appointment of members to the Board are based on a combination of criterias that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualifications required for the position. For appointment of an Independent Director, the independence criteria defined in Section 149(6) of the Act, and Regulation 16(1)(b) of the SEBI Listing Regulations are also considered.

Pursuant to Section 178(3) of the Act and Regulation 19(4) of the SEBI Listing Regulations, and based on the recommendation of the Nomination, Governance and Compensation Committee (NGCC), the Board has adopted a Nomination, Governance and Compensation Policy applicable to Directors, KMP, Senior Management and other employees. The Policy, inter alia, sets out the role of the NGCC, including matters relating to appointment and removal, remuneration, performance evaluation, succession planning and Board governance. The Policy is available on the Company's website at <https://www.drreddys.com/cms/sites/default/files/2025-07/Nomination%2C%20Governance%20%26%20Compensation%20Policy.pdf>

The salient features of the Policy forms part of the chapter on Corporate Governance of this Integrated Report.

Executive Remuneration

Overview and Philosophy

Our executive compensation program supports attracting, motivating, and encouraging continuity of relevant leaders who advance our critical business objectives and promote the creation of shareholders' value over the long-term.

The key tenets are:

- a) Attract highly talented individuals from within and across industries drawing from a diverse pool of global talent.
- b) Provide long term and short-term incentives that advance the interests of shareholders and deliver levels of pay commensurate with performance.

Approach to Pay Benchmarking

The three principal components of the compensation package include, base salary, annual cash-based variable pay, and equity-based long-term incentives. In making decisions with respect to each element of compensation, the competitive market for executives and compensation levels of the comparable companies are considered. Pay practices at companies with which Dr. Reddy's competes for talent, including those engaged in similar activities are reviewed from time to time. Our approach is to be market aware and not market driven. We believe that information regarding pay practices at other companies is useful to assess the reasonableness and competitiveness of our own.

We generally target executive pay to be within range of 75th percentile of pay packages for executives in similar positions, responsibilities and/or experience in similar companies of comparable size.

We identify certain roles that are fungible across multiple industries where our comparative pool is not limited to peer generic pharmaceutical organisations. In such cases a wider sample is selected comprising of non-pharma marquee organisations operating in the country with whom Dr. Reddy's competes for talent.

Review and Increments

Executive compensation is reviewed annually. Executive increment percentages approach is lesser than the Company average, while the frontline receiving the highest increase. A higher increase may be made in the event of a role change, promotion. The Company's performance, affordability, individual performance and compensation history are other considerations, while deciding on compensation.

Executive Director Compensation

Our executive directors' compensation comprises of a fixed monthly component and a profit based annual commission based on standalone net profits of the Company. The total remuneration to be paid to the executive directors is within the limits prescribed under the provisions of the Companies Act, 2013.

While recommending such a commission, the NGCC also takes into account the overall corporate performance in a given year in terms of balanced scorecard achievement and the Key Performance Indicators (KPIs). The considerations include but are not limited to: Financial metrics covering growth in return on capital employed (RoCE) and profitability; Non-financial metrics covering aspects such as health, brand building, compliance, quality and sustainability of operations of the organization, as may be agreed upon from time to time with the Company.

Perquisites and retirement benefits are paid in accordance with the Company's compensation policies, as applicable to all employees. The Company, in compliance with Section 197 of the Act and the SEBI Listing Regulations, does not grant any stock options to the Executive Directors. No severance fee is payable to them.

In terms of the approval given by the members of the Company, each of the Executive Directors was entitled to get 0.75% of the net profits of the Company, i.e. ₹ 291.91 Mn each. However, the Board, on the recommendation of the NGCC approved a fair commission for the Executive Directors, i.e. ₹ 73.80 Mn and ₹ 131.20 Mn for Mr. K Satish Reddy and Mr. G V Prasad, respectively.

CEO Compensation

Our CEO compensation comprises of guaranteed cash, short term incentives in the form of variable pay, long-term incentives, retirals, and perquisites. 75% of our CEO's pay is linked with the Company's performance in terms of balanced scorecard achievement against plan and long-term incentives from ESOPs. Short Term incentives are tied to the Company performance against the balanced scorecard and individual performance of the CEO as determined by the Board of Directors.

During the FY2026, Mr. Erez Israeli, Chief Executive Officer, has received an increment of 5.3% on fixed compensation. His fixed salary was ₹ 7.3 Cr, with a target variable pay of 100%, and long-term incentives of value ₹ 15.30 Cr vesting at the end of 3 years.

Performance Management

Our current performance management follows a balanced scorecard approach comprising of current business performance, Building the future and Health of the Business. The Board of Directors uses a stringent process to set ambitious financial targets in line with the strategy of the Company. In addition to the financial targets, the scorecard also has ambitious strategic objectives across key priority areas, including targets related to Compliances and Safety matters. The scorecard is proposed by management



council to the Board of Directors for approval before the start of the financial year. Each parameter is devised into a metric, financial or otherwise and is measured quarterly. All parameters are scored based on a predetermined grid. Additional considerations such as wind-falls, impairments and one-offs are measured separately. Our performance management process is specifically adapted to different employee cohorts based on their specific needs, the overall principles remain the same across all the models.

Performance evaluation of Management Council (“MC”) member’s focuses on achievement of their Business Unit Scorecard. Individual MC evaluation focusses on achievement of:

- a) The BU (Business Unit) scorecard for the year that contributes to the delivery of the overall Company’s strategy.
- b) Demonstration of desired leadership behaviours and aligned to the overall Company values

Balanced scorecard performance is measured in constant currencies to reflect operational performance that can be influenced.

Company Performance for FY2026

Fiscal Year 2026 reflected a resilient performance despite product specific headwinds and several on-off impacts. These were mitigated by strong double-digit growth in the underlying base business, supported by favourable foreign exchange movements and incremental revenues from the acquired consumer health portfolio in Nicotine Replacement Therapy. We delivered annual revenues exceeding US\$3.58 billion, representing a 3.2% year-over-year growth and US\$0.8 billion in EBITDA, with a margin of 22.8%.

These outcomes reflect the strategic leadership and execution capabilities of our management team, which enabled consistent delivery across key priorities, namely, scaling the base business, advancing key pipeline programs, pursuing targeted inorganic initiatives to complement the Company’s organic growth ambitions, while continuing to enhance efficiencies across operations.

Further, our leaders continued to build long-term franchises in biosimilars, consumer healthcare, and innovation, through disciplined capital allocation and focused organizational structures.

Our commitment to quality, regulatory compliance and sustainability remained unwavering through the year.

Our two-pronged strategy of strengthening the base business, while investing in our future growth drivers positions us to build a high-performance organisation that delivers sustainable growth and creates long-term value for our stakeholders.

A brief snapshot of our scorecard performance for FY2026 is given below:

Pillar	Wt	Achievement
Current Business Performance	45%	Below Plan
Building the Future	35%	In-line Plan
Operational Excellence	20%	Above Plan

Overall Evaluation: Performance remained within acceptable levels, though marginally below stretch targets.

Variable Pay for CEO

Variable Pay is paid based on annual performance target achievements as cash in the first quarter of the next financial year. The payout range for individual performance is between 0% to 150%. Overall payout is capped at 300% of target.

FY26 reflected a resilient operating performance, delivering highest ever annual revenues, amid product-specific headwinds and certain one-time impacts. The underlying base business continued to deliver double-digit growth. Based on the overall assessment, the Board of Directors decided on an Annual Incentive payout for the CEO amounting to ₹ 7.28 Cr.

Long Term Incentive Plan for CEO

Majority of the grants are ESOPs granted at fair market value, a small portion is in the form of Performance modified phantom shares that allows for multiplicative upside basis performance against defined metrics.

Grants are made annually and they cliff Vesting at the end of 3 years. ESOPs are exercised at fair market value (at the time of grant) and the Phantom Shares are payable in cash upon vesting.

Malus and Clawback

Any performance linked compensation paid to Management Committee members is subject to malus and clawback rules. This means that the NGCC may decide – subject to applicable law – to retain any unpaid or unvested incentive compensation (malus), or to recover incentive compensation that has been paid or vested in the past (clawback).

This applies in cases where the payout has resulted from a violation of laws or conflicts with internal management standards, including Company and accounting policies.

This principle applies to both the short-term Annual Incentive and Long-Term Incentive (LTI) plans.

Number of Board Meetings

The Board of Directors met six times during the year.

In addition, an annual Board retreat was held to discuss strategic matters. The intervening gap between the meetings was within the period prescribed under the Act and the SEBI Listing Regulations. Details of Board meetings and the Board retreat are given in the chapter on Corporate Governance forming part of this Integrated Report.

Separate Meeting of Independent Directors

In terms of requirements under Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations, four separate meetings of the Independent Directors were held during FY2026. Further details are mentioned in the chapter on Corporate Governance forming part of this Integrated Report.

Committees of the Board

As on March 31, 2026, the Board has the following Committees:

- i) Audit Committee;
- ii) Stakeholders’ Relationship Committee;
- iii) Nomination, Governance and Compensation Committee;
- iv) Sustainability and Corporate Social Responsibility Committee;
- v) Risk Management Committee;
- vi) Science, Technology and Operations Committee; and
- vii) Banking, Authorisations and Allotment Committee

All the recommendations made by the Board committees, including the Audit Committee, were accepted by the Board. The details of the above Committees are given in the Chapter on Corporate Governance forming part of this Integrated Report.

Directors’ Responsibility Statement

In terms of Section 134(5) of the Act, your Directors state that:

- 1. Applicable accounting standards have been followed in the preparation of the annual accounts and that no material departures have been made from the same;
- 2. Accounting policies have been selected and applied consistently. Judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the

end of the FY2026 and of the profit of the Company for that period;

- 3. Proper and sufficient care has been taken to maintain adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4. Annual accounts have been prepared on a going concern basis;
- 5. Adequate internal financial controls for the Company to follow have been laid down and these are operating effectively; and
- 6. Proper and adequate systems have been devised to ensure compliance with the provisions of all applicable laws and these systems are operating effectively.

Adequacy of Internal Financial Control Systems

The Company has in place adequate internal financial controls with reference to its financial statements. These controls ensure the accuracy and completeness of the accounting records and the preparation of reliable financial statements.

Enterprise Risk Management (“ERM”)

The Company has a Risk Management Committee of the Board, consisting entirely of Independent Directors. Details of the Committee and its terms of reference are set out in the chapter on Corporate Governance forming part of this Integrated Report.

The Audit Committee and Risk Management Committee review key risk elements of the Company’s business, finance, operations and compliance, and their respective mitigation strategies. The Risk Management Committee reviews strategic, business, compliance and operational risks whereas the Audit Committee reviews issues around ethics and fraud, internal control over financial reporting (ICOFR), as well as process risks and their mitigation.

The Company’s Risk Management Committee operates under the Company’s Risk Management Policy and focuses on risks associated with the Company’s business and compliance matters. This Committee periodically reviews matters pertaining to risk management. Additionally, the Enterprise Risk Management (ERM) function helps the Board and the Management 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.

During FY2026, focus areas for risk assessment and mitigation included geo-political risks, inventory, assets, products, cyber security, data security & privacy, ethics & compliance, quality & regulatory, safety, country, strategic and other key operating risks.

Related Party Transactions

All related party transactions entered into during the financial year ended March 31, 2026 were in the ordinary course of business and on an arm’s length basis and were carried out in compliance with Section 188 of the Companies Act, 2013 and Regulation 23 read with Schedule XII of the SEBI Listing Regulations, as amended.

All related party transactions, including any modifications, are placed before the Audit Committee for review and approval. Annual omnibus approval is obtained for repetitive transactions entered into in the ordinary course of business at arm’s length and not material under the SEBI Listing Regulations, and a quarterly statement of such transactions is placed before the Audit Committee and the Board of Directors for review and approval. Disclosures relating to related party transactions form part of the notes to the financial statements included in this Integrated Annual Report.

In line with the requirements of the Act and the SEBI Listing Regulations, your Company has a Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions, which is also available on the Company’s website <https://www.drreddys.com/cms/sites/default/files/media-library/Policy%20on%20Materiality%20of%20Related%20Party%20Transactions%20and%20Dealing%20with%20Related%20Party%20Transactions%20%281%29.pdf>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties

In accordance with Section 134(3)(h) of the Act, and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of the material contracts or arrangements with related parties referred to in Section 188(1) of the Act, in Form AOC-2 is attached as **Annexure – II** to this Board’s Report.

Vigil Mechanism/ Whistle-Blower/ Ombudsperson Policy

The Company has an Ombudsperson Policy (Whistle-Blower/ Vigil mechanism) to report concerns. Reporting channels under the vigil mechanism include an independent

hotline, a web-based reporting site (drreddys.ethicspoint.com) and a dedicated e-mail to Chief Compliance Officer. In addition, concerns may also be submitted in writing by post or courier to the offices of the Chief Compliance Officer. The Ombudsperson Policy also safeguards against retaliation of those who use this mechanism. The Audit Committee Chairperson is the Chief Ombudsperson. The Policy also provides for raising concerns directly to the Chief Ombudsperson. Details of the Policy are available on the Company’s website at: <https://www.drreddys.com/cms/cms/sites/default/files/2021-12/Ombudsperson.pdf>

Statutory Auditors

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), will complete their second consecutive term as Statutory Auditors at the conclusion of the 42nd AGM and shall cease to hold office thereafter. The Board of Directors places on record its deep appreciation for their professional services and contribution to the Company during their tenure.

Accordingly, based on the recommendation of the Audit Committee, the Board of Directors has recommended the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W100018), as the Statutory Auditors of the Company for a term of five consecutive years, commencing from the conclusion of the 42nd AGM up to the conclusion of the 47th AGM, subject to approval of the shareholders. Details relating to their appointment, including proposed remuneration for FY 2026–27, are set out in the Notice convening the 42nd AGM forming part of this Integrated Report.

M/s Deloitte Haskins & Sells LLP have confirmed their eligibility and that they satisfy the criteria prescribed under Section 141 of the Companies Act, 2013, and that their appointment, if approved, will be in accordance with the applicable provisions of the Act and the rules made thereunder. They have also confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid certificate issued by the ‘Peer Review Board of ICAI’.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amended Regulation 24A of the SEBI Listing Regulations, members at the 41st AGM held on July 24, 2025, appointed M/s. Makarand M Joshi & Co. Company Secretaries (FRN: P2009MH007000), as

the Secretarial Auditors of the Company, for a term of five consecutive years from April 1, 2025 to March 31, 2030.

In compliance with Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report issued by the Secretarial Auditor was submitted to the Stock Exchanges within the statutory timelines. The Report of the Secretarial Auditor for FY26 is annexed herewith as **Annexure – III**.

Cost Auditor

Pursuant to Section 148(1) of the Act, read with the relevant Rules made thereunder, the Company maintains the cost records in respect of its ‘pharmaceuticals’ business.

On the recommendation of the Audit Committee, the Board has appointed M/s. Sagar & Associates, Cost Accountants (Firm Registration No. 000118) as Cost Auditor of the Company for FY2027 at a remuneration of ₹9,00,000 (Rupees Nine Lakhs only) plus reimbursement of out-of-pocket expenses at actuals and applicable taxes. M/s. Sagar & Associates have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that the appointment meets the requirements of the Act. They have further confirmed their independent status and an arm’s length relationship with the Company.

The provisions of the Act also require that the remuneration of the Cost Auditors be ratified by the members and therefore, the same is recommended for approval of the members at the forthcoming 42nd AGM. As a matter of record, relevant Cost Audit Reports for FY2025 were filed with the Registrar of Companies on August 18, 2025, within the stipulated timeline. The Cost Audit Report for FY2026 will also be filed within the timeline.

Auditors’ Qualifications, Reservations, Adverse Remarks or Disclaimers

There are no qualifications, reservations, adverse remarks or disclaimers by the Statutory Auditors in their report, by the Secretarial Auditor in the Secretarial Audit Report or by the Cost Auditor in the Cost Auditor Report. During the year, there were no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act, other than the instance reported to the Central Government.

Further, the Statutory Auditors have filed a report under sub-section (12) of section 143 of the Companies Act, 2013, in form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government

relating to misappropriation of inventory (valued at Rs. ~ 1.96 Crore) which was not material to the financial statements.

Secretarial Standards

In terms of Section 118(10) of the Act, the Company complies with Secretarial Standards 1 and 2, relating to the ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively as issued by the Institute of Company Secretaries of India (“ICSI”).

The Company has also voluntarily adopted the recommendatory Secretarial Standards 3 on ‘Dividend’.

Significant/ Material Orders Passed by Courts/ Regulators/ Tribunals

During FY2026, there were no significant or material orders passed by the Courts or Regulators or Tribunals impacting the going concern status and operations of the Company in the future.

Prevention of Sexual Harassment of Women at Workplace

The Company has a Policy to ensure prevention, prohibition and redressal of sexual harassment at the workplace. It has an Apex Committee and an Internal Complaints Committee in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which operate under a defined framework for complaints pertaining to sexual harassment at workplace. The same is available on the Company’s website at <https://www.drreddys.com/cms/sites/default/files/2025-07/POSH%20Policy.pdf>

During the year under review, following is the status of complaints:

Particulars	Number
Number of complaints received during FY 2025–26	21
Number of complaints disposed of during the year	19
Number of cases pending for more than 90 days	1

Corporate Social Responsibility (CSR) Initiatives

As per Section 135 of the Act, the Company has a Board-level Committee namely, Sustainability and Corporate Social Responsibility (SCSR) Committee. As on March 31, 2026, the Committee consists of Dr. K P Krishnan (Chairman), Mr. Sanjiv Mehta, Mr. G V Prasad and Mr. K Satish Reddy.

Based on the recommendation of the SCSR Committee, the Board has adopted a Corporate Social Responsibility (CSR) Policy that provides guiding principles for selection,



implementation and monitoring of CSR activities and formulation of the annual action plan. During the year, the Committee monitored the CSR activities undertaken by the Company including the expenditure incurred thereon as well as implementation and adherence to the CSR policy. An impact assessment of the eligible projects has been carried by an independent agency and the report of such impact assessment was noted by the SCSR Committee and the Board. Details of the CSR Policy and initiatives taken by the Company during the year are available on the Company's website at <https://www.drreddys.com/cms/sites/default/files/2025-07/CSR%20Policy.pdf>. The report on CSR activities as well as executive summary of the impact assessment report are attached as **Annexure IV** to this Board's Report.

Environmental, Social and Governance (ESG)

We continue to prioritise social impact, delivering positive health outcomes for patients worldwide by enabling access to affordable and innovative medicines, fostering diversity, equity, and inclusion in our work environment, integrating environmental considerations into our operations, and ensuring responsible business practices.

In FY2026, we continued to make progress on our 12 stated ESG goals. During the year, Science Based Targets initiative (SBTi) has validated our targets which includes:

- **Near-term targets:** Reduce absolute Scope 1 and 2 GHG emissions by 80% by FY2030 from FY2023 base year. Reduce Scope 3 emissions by 51.6% per INR value added within the same timeframe
- **Long-term targets:** Reduce absolute Scope 1, 2 and 3 GHG emissions by 90% by FY2045 from FY 2023 base year.
- **Net-Zero:** Achieve net-zero greenhouse gas emissions across the value chain by FY2045.

To read more about the mitigation strategy for our updated material risks and opportunities, please refer to page 163 of our Business Responsibility and Sustainability Report forms part of the Integrated Annual Report. To read more about our ESG progress, programs, and impact, please refer to the Strategic Review section on Page 24 onwards of our Integrated Report.

Transfer of Unpaid and Unclaimed Amounts and Shares to the Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of the Act, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, declared dividends which remained unpaid or

unclaimed for a period of seven years have been transferred by the Company to the IEPF, which has been established by the Central Government.

The above Rules also mandate transfer of shares on which dividends are lying unpaid and unclaimed for a period of seven consecutive years to IEPF. The Company has issued individual notices to the members whose dividend is unclaimed and unpaid and advising them to claim their dividend. The details of transfer of unpaid and unclaimed amounts and shares to IEPF are given in the chapter on Additional Shareholders Information forming part of this Integrated Report.

Employees Stock Option Schemes

The Company has three employee stock option schemes namely, 'Dr. Reddy's Employees Stock Option Scheme, 2002', 'Dr. Reddy's Employees ADR Stock Option Scheme, 2007', and 'Dr. Reddy's Employees Stock Option Scheme, 2018' (the "Schemes").

The term of Dr. Reddy's Employees Stock Option Scheme, 2002 ended on January 28, 2022. However, the options already granted under the 2002 Scheme are eligible for exercise, in terms of the Scheme. There are no other changes in the said schemes during the year. The Schemes are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The details of Company's stock option Schemes as required under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are available on the Company's website at <https://www.drreddys.com/investor#reports-and-filing#annual-report>.

The Company's Secretarial Auditors, M/s. Makarand M. Joshi & Co., Company Secretaries, have certified that the Employee Stock Option Schemes of your Company have been implemented in accordance with the Regulations and the resolutions passed by the Members in this regard.

The details also form part of note 2.25. of the notes to accounts of the standalone financial statements.

Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are attached as **Annexure – V** to this Board's Report.

In terms of Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of limits set out in the said rules forms part of the Integrated Annual Report.

Considering the provisions of Section 136 of the Act, the Integrated Annual Report, excluding the aforesaid information, is being sent to the members of the Company and others entitled thereto. The said information is available for inspection by the members at the registered office of the Company or through electronic mode, during business hours on working days up to the date of the forthcoming 42nd AGM. Any member interested in obtaining a copy thereof may write to the Company Secretary in this regard.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Particulars as prescribed under Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are attached as **Annexure VI** to this Board's Report.

Annual Return

The Annual Return of the Company as on March 31, 2026, in terms of the provisions of Section 134(3)(a) of the Act, is available on the Company's website at <https://www.drreddys.com/investor#reports-and-filing#annual-report>

Other Statutory Disclosures

- **General Disclosure related to Compliance**
The Board's Report has been prepared in accordance with Section 134 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, as amended by the Companies (Accounts) Second Amendment Rules, 2025, effective July 14, 2025.

- **Compliance with the Maternity Benefit Act, 1961**
The Company has complied with the provisions of the Maternity Benefit Act, 1961 and the rules made thereunder during the financial year under review.
- **Disclosure related to Insolvency and Bankruptcy**
No application has been filed under the Insolvency and Bankruptcy Code. Consequently, the requirement to disclose any applications filed or proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the year, along with their status at the close of the financial year, is not applicable.
- **Disclosure regarding one-time settlement**
There was no instance of one-time settlement with any Bank or Financial Institution.

Acknowledgment

Your Directors place on record their sincere appreciation for the significant contribution made by your Company's employees through their dedication, hard work and commitment, as also for the trust reposed in your Company by the medical fraternity and patients. The Board of Directors also acknowledges the support extended by the analysts, bankers, Government of India and various countries and other government agencies, media, customers, business partners, members and investors at large.

The Board looks forward to your continued support in the Company's endeavor to accelerate access to innovative and affordable medicines, because "Good Health Can't Wait".

For and on behalf of the Board of Directors

K Satish Reddy
Chairman
DIN: 00129701

Place: Hyderabad
Date: May 12, 2026

Annexure I
FORM AOC-1

(Statement pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part " A " : SUBSIDIARIES

All amounts in Indian Rupees millions, except share data and where otherwise stated

Sl. no.	Name of the subsidiary	Reporting period for the subsidiary	Date of incorporation/ acquisition	% of shareholding	Reporting currency	Exchange rate	As at 31 March 2026						For the year ended 31 March 2026					
							Share capital	Reserves & surplus	Other liabilities	Total equity and liabilities	Total assets	Investments	Turnover	Net expense (total expense net of other income)	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend
1	Aurigene Discovery Technologies (Malaysia) Sdn. Bhd.	31-03-2026	26-09-2007	100%	MYR	23.55	16	49	3	68	68	-	52	50	1	-	1	-
2	Aurigene Oncology limited (Formerly, Aurigene Discovery Technologies Limited)	31-03-2026	10-08-2001	100%	INR	1.00	1,876	7,138	2,195	11,209	11,209	8,587	2,213	2,473	(260)	(27)	(233)	-
3	Aurigene Pharmaceutical Services Limited	31-03-2026	16-09-2019	100%	INR	1.00	1,561	3,361	7,618	12,540	12,540	2,737	7,927	6,138	1,789	476	1,313	-
4	beta Institute gemeinnützige GmbH(3)	31-03-2026	15-02-2006	100%	EUR	109.00	6	(385)	1,452	1,073	1,073	-	1,230	1,491	(261)	-	(261)	-
5	betapharm Arzneimittel GmbH(3)	31-03-2026	15-02-2006	100%	EUR	109.00	60	308	16,122	16,490	16,490	-	14,341	14,234	107	-	107	-
6	Cheminor Investments Limited	31-03-2026	23-01-1990	100%	INR	1.00	1	4	-	5	5	3	-	(2)	2	1	1	-
7	DRL Impex Limited	31-03-2026	18-08-1986	100%	INR	1.00	760	(757)	5	8	8	-	-	(4)	4	1	3	-
8	Dr. Reddy's Bio-Sciences Limited	31-03-2026	09-07-2003	100%	INR	1.00	898	(599)	4	303	303	15	-	(9)	9	-	9	-
9	Dr. Reddy's (Beijing) Pharmaceutical Co. Limited	31-12-2025	19-08-2020	100%	RMB	13.61	148	163	72	383	383	-	330	308	22	1	21	-
10	Dr. Reddy's Farmaceutica Do Brasil Ltda.	31-12-2025	06-07-2000	100%	BRL	18.17	818	(121)	2,990	3,687	3,687	-	5,419	5,122	297	105	192	-
11	Dr. Reddy's Formulations Limited	31-03-2026	11-03-2021	100%	INR	1.00	237	(153)	717	801	801	605	-	63	(63)	-	(63)	-
12	Dr. Reddy's Laboratories (Australia) Pty. Limited	31-03-2026	07-06-2006	100%	AUD	65.02	203	(172)	2,307	2,338	2,338	-	2,337	2,280	57	18	39	-
13	Dr. Reddy's Laboratories Canada, Inc.	31-03-2026	29-08-2013	100%	CAD	68.15	-	961	2,293	3,254	3,254	-	4,342	4,165	177	47	130	-
14	Dr. Reddy's Laboratories Chile SPA.	31-03-2026	16-06-2017	100%	CLP	0.10	140	(124)	624	640	640	-	620	650	(30)	(9)	(21)	-
15	Dr. Reddy's Laboratories (EU) Limited	31-03-2026	17-04-2002	100%	GBP	125.51	723	2,447	2,311	5,481	5,481	-	2,100	3,049	(949)	58	(1,007)	-

Part " A " : SUBSIDIARIES

All amounts in Indian Rupees millions, except share data and where otherwise stated

Sl. no.	Name of the subsidiary	Reporting period for the subsidiary	Date of incorporation/ acquisition	% of shareholding	Reporting currency	Exchange rate	As at 31 March 2026						For the year ended 31 March 2026					
							Share capital	Reserves & surplus	Other liabilities	Total equity and liabilities	Total assets	Investments	Turnover	Net expense (total expense net of other income)	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend
16	Dr. Reddy's Laboratories Inc.(1)	31-03-2026	13-05-1992	100%	USD	94.84	580	26,501	46,041	73,122	73,122	1,017	108,475	102,975	5,500	486	5,014	-
17	Dr. Reddy's Laboratories Japan KK	31-03-2026	14-04-2015	100%	JPY	58.49	34	5	4	43	43	-	59	54	5	1	4	-
18	Dr. Reddy's Laboratories Kazakhstan LLP	31-12-2025	30-11-2016	100%	KZT	0.20	81	509	2,027	2,617	2,617	-	3,142	3,211	(69)	(3)	(66)	-
19	Dr. Reddy's Laboratories LLC, Ukraine	31-12-2025	11-05-2011	100%	UAH	2.17	219	727	723	1,669	1,669	-	3,008	2,876	132	23	109	-
20	Dr. Reddy's Laboratories Malaysia Sdn. Bhd.	31-12-2025	10-07-2017	100%	MYR	23.55	49	220	514	783	783	-	936	777	159	38	121	-
21	Dr. Reddy's Laboratories New York, LLC	31-03-2026	24-05-2011	100%	USD	94.84	-	(104)	212	108	108	-	3	1,361	(1,358)	-	(1,358)	-
22	Dr. Reddy's Laboratories Philippines Inc.	31-12-2025	09-05-2018	100%	PHP	1.56	31	(62)	104	73	73	-	28	68	(40)	(8)	(32)	-
23	Dr. Reddy's Laboratories (Proprietary) Limited	31-03-2026	13-06-2002	100%	ZAR	5.52	-	800	1,710	2,510	2,510	-	3,085	3,006	79	23	56	-
24	Dr. Reddy's Laboratories Romania Srl	31-12-2025	07-06-2010	100%	RON	21.17	24	2,115	2,470	4,609	4,609	-	4,152	3,690	462	10	452	-
25	Dr. Reddy's Laboratories SA	31-12-2025	16-04-2007	100%	USD	94.84	63,825	29,285	34,662	127,772	127,772	-	36,331	33,946	2,385	593	1,792	-
26	Dr. Reddy's Laboratories SAS	31-12-2025	04-11-2014	100%	COP	0.03	104	799	855	1,758	1,758	-	1,828	1,532	296	108	188	-
27	Dr. Reddy's Laboratories Taiwan Limited	31-12-2025	23-02-2018	100%	TWD	2.93	32	(1)	6	37	37	-	34	31	3	2	1	-
28	Dr. Reddy's Laboratories (Thailand) Limited	31-12-2025	13-06-2018	100%	THB	2.89	35	332	181	548	548	-	494	444	50	10	40	-
29	Dr. Reddy's Laboratories (UK) Limited	31-03-2026	29-11-2002	100%	GBP	125.51	-	7,759	3,308	11,067	11,067	-	10,693	9,443	1,250	19	1,231	-
30	Dr. Reddy's Laboratories (Vietnam) Company Limited(4)	31-12-2025	09-05-2025	100%	VND	0.36	44	(5)	4	43	43	-	-	7	(7)	-	(7)	-
31	Dr. Reddy's Netherlands B.V. (formerly Dr. Reddy's Research and Development B.V.)	31-03-2026	15-02-2013	100%	EUR	109.00	460	2,195	3,619	6,274	6,274	-	2,299	2,134	165	(231)	396	-

Part " A " : SUBSIDIARIES

All amounts in Indian Rupees millions, except share data and where otherwise stated

							As at 31 March 2026						For the year ended 31 March 2026					
Sl. no.	Name of the subsidiary	Reporting period for the subsidiary	Date of incorporation/ acquisition	% of shareholding	Reporting currency	Exchange rate	Share capital	Reserves & surplus	Other liabilities	Total equity and liabilities	Total assets	Investments	Turnover	Net expense (total expense net of other income)	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend
32	Dr. Reddy's Srl	31-12-2025	05-08-2008	100%	EUR	109.00	6	(552)	3,058	2,512	2,512	-	1,944	1,797	147	36	111	-
33	Dr. Reddy's New Zealand Limited.	31-03-2026	01-02-2008	100%	NZD	54.25	-	117	573	690	690	-	286	268	18	5	13	-
34	Idea2Enterprises (India) Pvt. Limited	31-03-2026	22-05-2010	100%	INR	1.00	25	1,542	1	1,568	1,568	25	-	(15)	15	5	10	-
35	Imperial Owners and Land Possessions Private Limited (Formerly, Imperial Credit Private Limited) (5)	31-03-2026	22-02-2017	100%	INR	1.00	-	-	-	-	-	-	-	-	-	-	-	-
36	Industrias Quimicas Falcon de Mexico, S.A. de CV	31-12-2025	30-12-2005	100%	MXN	5.27	895	2,301	5,044	8,240	8,240	-	5,478	5,577	(99)	(29)	(70)	-
37	Kunshan Rotam Reddy Pharmaceutical Co. Limited(2)	31-12-2025	15-08-2001	51.33%	RMB	13.61	2,738	7,204	3,301	13,242	13,242	-	8,336	8,033	303	-	303	-
38	Lacock Holdings Limited	31-03-2026	15-12-2005	100%	EUR	109.00	1	461	1	463	463	-	-	2	(2)	-	(2)	-
39	Dr. Reddy's Laboratories LLC	31-12-2025	05-04-2003	100%	RUB	1.16	1,350	12,367	17,970	31,687	31,687	-	39,441	38,355	1,086	289	797	-
40	Promius Pharma LLC(1)	31-03-2026	14-02-2003	100%	USD	94.84	1,713	(1,702)	(11)	-	-	-	1	(5)	6	-	7	-
41	Reddy Holding GmbH(3)	31-03-2026	15-02-2006	100%	EUR	109.00	1	33,121	986	34,108	34,108	-	-	(3,003)	3,003	952	2,051	-
42	Reddy Netherlands B.V.	31-03-2026	20-02-1997	100%	EUR	109.00	19	(1,065)	3,950	2,904	2,904	-	-	60	(60)	-	(60)	-
43	Reddy Pharma Iberia SAU	31-12-2025	18-05-2006	100%	EUR	109.00	(147)	492	1,527	1,872	1,872	-	2,446	2,379	67	22	45	-
44	Reddy Pharma Italia S.R.L.	31-12-2025	13-10-2006	100%	EUR	109.00	257	(40)	1,655	1,872	1,872	-	-	3	(3)	-	(3)	-
45	Reddy Pharma SAS	31-12-2025	29-10-2015	100%	EUR	109.00	386	220	710	1,316	1,316	-	1,389	1,360	29	6	23	-
46	SVAAS Wellness Limited (6)	31-03-2026	08-07-2009	100%	INR	1.00	950	(1,133)	228	45	45	-	168	193	(25)	-	(25)	-
47	Nimbus Health GmbH	31-12-2025	24-02-2022	100%	EUR	109.00	2	(68)	878	812	812	-	1,234	1,187	47	-	47	-
48	Dr. Reddy's Laboratories Jamaica Limited	31-12-2025	25-09-2023	100%	JMD	0.59	254	91	575	920	920	-	1,009	1,002	7	6	1	-
49	Dr. Reddy's and Nestle Health Science Limited (Formerly, Dr. Reddy's Nutraceuticals Limited)	31-03-2026	14-03-2024	51%	INR	1.00	14,400	(7,219)	1,286	8,467	8,467	470	3,162	4,088	(926)	(211)	(715)	-
50	Northstar Switzerland SARL	31-12-2025	30-09-2024	100%	USD	94.84	(225)	68,414	10,155	78,344	78,344	-	11,967	9,955	2,012	300	1,712	-

Part " A " : SUBSIDIARIES

All amounts in Indian Rupees millions, except share data and where otherwise stated

							As at 31 March 2026						For the year ended 31 March 2026					
Sl. no.	Name of the subsidiary	Reporting period for the subsidiary	Date of incorporation/ acquisition	% of shareholding	Reporting currency	Exchange rate	Share capital	Reserves & surplus	Other liabilities	Total equity and liabilities	Total assets	Investments	Turnover	Net expense (total expense net of other income)	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend
51	North Star OpCo Limited	31-03-2026	30-09-2024	100%	GBP	125.51	-	632	1,015	1,647	1,647	-	1,052	656	396	48	348	-
52	North Star Sweden AB	31-03-2026	30-09-2024	100%	SEK	9.99	-	8	12	20	20	-	-	(1)	1	-	1	-
53	Dr Reddy's Denmark ApS	31-12-2025	04-10-2024	100%	DKK	14.59	-	15	3,042	3,057	3,057	-	4,743	4,695	48	8	40	-
54	Dr. Reddy's Finland Oy	31-03-2026	20-12-2024	100%	EUR	109.00	-	-	-	-	-	-	-	-	-	-	-	-
55	Kunshan Rotam Reddy Medical Company Limited(2)	31-03-2026	19-03-2020	51.33%	RMB	13.61	58	(731)	6,062	5,389	5,389	-	8,404	8,305	99	-	99	-

* Rounded off to neareast millions.

⁽¹⁾ Tax expense for these entities is computed together as per the tax laws of United States. The total tax expense is presented in Sl. No. 17 - Dr. Reddy's Laboratories Inc.

⁽²⁾ The investment has been accounted using equity method. Refer note 2.6 of consolidated financial statements.

⁽³⁾ Tax expense for these entities is computed together as per the tax laws of Germany. The total tax expense is presented in Sl. No. 43 - Reddy Holding GmbH.

⁽⁴⁾ The company is incorporated on May 9, 2025.

⁽⁵⁾ The company is dissolved w.e.f August 5, 2025.

⁽⁶⁾ The company is divested w.e.f April 7, 2026.





Part “B”: ASSOCIATES AND JOINT VENTURES

All amounts in Indian Rupees millions, except share data and where otherwise stated

Sl. No.	Name of the Associate / Joint Venture	Latest audited balance sheet date	Date of Incorporation/ Acquisition	Shares of Associate/Joint Ventures held by the company on the year end		Amount of investment in Associates/ Joint Venture	Extend of holding %	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / loss for the year		Description of how there is a significant influence	Reason why the associate/ joint venture is not consolidated
				No.					Considered in Consolidation	Not Considered in Consolidation		
1	DRES Energy Private Limited	31-03-2026	06-10-2015	8,580,000		86	26.00%	-	(1)	-	NA	NA
2	O2 Renewable Energy IX Private Limited(1)	31-03-2026	10-11-2023	13,649,600		55	26.00%	-	(20)	-	NA	NA
3	Clean Renewable Energy KK 2A Private Limited	31-03-2026	31-07-2024	2,025,299		21	26.99%	-	(3)	-	NA	NA

(1) The Company has also invested ₹ 7.28 million for subscribing 7,284 Compulsory Convertible Debentures of ₹1,000/- each on 10 November, 2023

for and on behalf of the Board of Directors of **Dr. Reddy's Laboratories Limited**

K Satish Reddy
Chairman
(DIN:00129701)

G V Prasad
Co-Chairman & Managing Director
(DIN:00057433)

Place : Hyderabad
Date : May 12, 2026

Erez Israeli
Chief Executive Officer

M V Narasimham
Chief Financial Officer

K Randhir Singh
Company Secretary

Annexure - II

FORM AOC-2

(Pursuant to clause (h) of Section 134 (3) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1	DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS: NONE			
a	Name(s) of the related party and nature of relationship			
b	Nature of contracts/ arrangements/ transactions			
c	Duration of contracts/ arrangements/ transactions			
d	Salient terms of the contracts / arrangements/ transactions including the value, if any			
e	Justification for entering into such contracts / arrangements/ transactions			Not Applicable
f	Date(s) of approval by the Board			
g	Amount paid as advances			
h	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188			
2	DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS			
a	Name(s) of the related party and nature of relationship	Dr. Reddy's Laboratories Inc., USA, wholly-owned Subsidiary	Dr. Reddy's Laboratories LLC, Russia, Wholly-owned Subsidiary.	
b	Nature of contracts/ arrangements/ transactions	Transfer or receipt of products, goods, materials or services		
c	Duration of contracts/ arrangements/ transactions	Ongoing		
d	Salient terms of the contracts/ arrangements/ transactions including the value, if any	Transfer or receipt of products, goods, materials or services on arm's length for an estimated amount of up to ₹ 57,316 mn	Transfer or receipt of products, goods, materials or services on arm's length for an estimated amount of up to ₹ 33,651 mn	
e	Date(s) of approval by the Board, if any	Not applicable. However, the transactions were approved by the Audit Committee		
f	Amount paid as advances, if any	-	-	

For and on behalf of the Board of Directors

Place: Hyderabad
Date: May 12, 2026

K Satish Reddy
Chairman
DIN: 00129701



Annexure - III

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Dr. Reddy's Laboratories Limited
8-2-337, Road No. 3, Banjara Hills,
Hyderabad - 500034, Telangana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dr. Reddy's Laboratories Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by the Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by

the Company for the financial year ended on March 31, 2026 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (External Commercial Borrowings are not applicable to the Company during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable to the Company during the Audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and Securities and Exchange

Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit period) and
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (Not Applicable to the company during the Audit period)

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations')

During the audit period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. as mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following law applicable specifically to the Company:

- a) The Drugs and Cosmetics Act, 1940 and Rules made thereunder;
- b) Drugs (Prices Control) Order, 2013 and Notifications made thereunder and;
- c) The Narcotics Drugs and Psychotropic Substances Act, 1985.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Directors and Independent Directors. There were no changes that took place in the composition of the Board of Directors other than re-appointment of Managing Director that has carried out in compliance with the provision of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days (except in one instance where meeting of the board is convened at a shorter notice for which necessary approvals obtained as per applicable provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period, the Company has:

Received an order from the Hon'ble National Company Law Tribunal, Hyderabad Bench, dated August 5, 2025, approving the voluntary liquidation of Imperial Owners and Land Possessions Private Limited (formerly known as Imperial Credit Private Limited), a wholly owned subsidiary of the Company.

Issued and allotted 2,01,605 equity shares pursuant to exercise of options under Dr. Reddy's Employee Stock Options Scheme, 2002 and Dr. Reddy's Employee ADR Stock Options Scheme, 2007.

For Makarand M. Joshi & Co.
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Makarand M. Joshi
Partner
FCS: 5533
CP No.: 3662
UDIN: F005533H000342045

Date: May 12, 2026
Place: Mumbai

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



‘Annexure A’

To,
The Members,
Dr. Reddy's Laboratories Limited
8-2-337, Road No. 3, Banjara Hills,
Hyderabad - 500034, Telangana

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
- For **Makarand M. Joshi & Co.**
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Makarand M. Joshi
Partner
FCS: 5533
CP No.: 3662
UDIN: F005533H000342045

Date: May 12, 2026
Place: Mumbai

Annexure - IV

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

1 BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

At Dr. Reddy's all our activities are guided by our purpose and belief “We accelerate access to affordable and innovative medicines because Good Health Can’t Wait.” Our business is based on a foundation of having immense respect for people and the planet. Our contribution to societal change embodies our values. We will continue to catalyse replicable, sustainable and innovative actions for social change. We believe in contributing to a sustainable community development and facilitating our efforts towards creating shared value.

2 COMPOSITION OF SUSTAINABILITY AND CORPORTAE SOCIAL RESPONSIBILITY (SCSR) COMMITTEE

SL. NO.	NAME OF THE DIRECTOR	DESIGNATION/NATURE OF DIRECTORSHIP	NUMBER OF MEETINGS OF SCSR COMMITTEE HELD DURING THE YEAR/ TENURE	NUMBER OF MEETINGS OF SCSR COMMITTEE ATTENDED DURING THE YEAR
1	Dr. K P Krishnan	Independent Director, Chairman of the Committee	5	5
2	Mr. G V Prasad	Co-Chairman and Managing Director, Member of the Committee	5	5
3	Mr. K Satish Reddy	Chairman, Member of the Committee	5	5
4	Mr. Sanjiv Mehta	Independent Director, Member of the Committee	5	5

3 THE WEB-LINK WHERE COMPOSITION OF SCSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD AND DISCLOSED ON THE WEBSITE OF THE COMPANY

- a) Composition of SCSR Committee - <https://www.drreddys.com/investor#governance#committees-of-the-board>
- b) CSR Policy - <https://www.drreddys.com/cms/cms/sites/default/files/2025-05/CSR%20Policy.pdf>
- c) CSR Projects - <https://www.drreddys.com/our-people-and-our-citizenship/sustainability/annual-action-plan>

4 DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

The Company has engaged an independent agency, Price Waterhouse Chartered Accountants LLP, to carry out the impact assessment of eligible CSR projects undertaken in FY2024-25, including applicable ongoing project. The report of such impact assessment was noted by the SCSR Committee as well as the Board. The executive summary of the impact assessment report is attached as **Annexure IV(a)** with this Report and the detailed impact assessment report is available on the Company’s website at https://www.drreddys.com/cms/sites/default/files/media-library/FY27PWCALLP_DRLIARReport.pdf



5.	(a)	Average net profit of the Company as per Sub-section (5) of Section 135 of the Companies Act, 2013 (“Act”) (₹)	55,65,79,72,839
	(b)	Two percent of average net profit of the Company as per Sub-section (5) of Section 135 of the Act (₹)	1,11,31,59,457
	(c)	Surplus arising out of the CSR Projects or Programmes or activities of the previous financial years	Not Applicable
	(d)	Amount required to be set off for the financial year, if any	Not Applicable
	(e)	Total CSR Obligation for the financial year[(b)+(c)-(d)] (₹)	1,11,31,59,457

6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) (₹)	1,10,79,18,568
	(b)	Amount spent in Administrative Overheads(₹)	35,10,354
	(c)	Amount spent on Impact Assessment, if applicable(₹)	27,30,535
	(d)	Total amount spent for the financial year[(a)+(b)+(c)] (₹)	1,11,41,59,457

(e) CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR

AMOUNT UNSPENT (IN ₹)					
TOTAL AMOUNT SPENT FOR THE FINANCIAL YEAR (₹)	TOTAL AMOUNT TRANSFERRED TO UNSPENT CSR ACCOUNT AS PER SUB-SECTION (6) OF SECTION 135		AMOUNT TRANSFERRED TO ANY FUND SPECIFIED UNDER SCHEDULE VII AS PER SECOND PROVISO TO SUB-SECTION (5) OF SECTION 135		
	AMOUNT(₹)	DATE OF TRANSFER	NAME OF THE FUND	AMOUNT(₹)	DATE OF TRANSFER
1,11,41,59,457	12,31,64,875	22-04-2026		Not Applicable	

(f) EXCESS AMOUNT FOR SET - OFF, IF ANY:

SL. NO.	PARTICULAR	AMOUNT(₹)
1	2	3
(i)	Two percent of average net profit of the Company as per Sub-section (5) of Section 135 of the Act	1,11,31,59,457
(ii)	Total amount spent for the financial year(₹)	1,11,41,59,457
(iii)	Excess amount spent for the Financial year [(ii) – (i)] (₹)	10,00,000
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)] (₹)	10,00,000

7 DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS

SL. NO	PRECEDING FINANCIAL YEARS	AMOUNT TRANSFERRED TO UNSPENT CSR ACCOUNT UNDER SUB SECTION (6) OF THE SECTION 135 OF THE ACT (₹)	BALANCE AMOUNT IN UNSPENT CSR ACCOUNT UNDER SUB-SECTION (6) OF THE SECTION 135 OF THE ACT (₹)	AMOUNT SPENT IN THE FINANCIAL YEAR	AMOUNT TRANSFERRED TO A FUND AS SPECIFIED UNDER SCHEDULE VII AS PER SECOND PROVISO TO SUB-SECTION (5) OF SECTION 135, OF THE ACT, IF ANY		AMOUNT REMAINING TO BE SPENT IN SUCCEEDING FINANCIAL YEARS	DEFICIENCY, IF ANY
					AMOUNT (₹)	DATE OF TRANSFER		
1	FY2023	9,02,29,694	0	0	NA	NA	0	NA
2	FY2024	NA	NA	NA	NA	NA	NA	NA
3	FY2025	5,00,88,370	5,00,88,370	5,00,88,370	NA	NA	0	NA

8 WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

Yes

SL. NO	SHORT PARTICULARS OF THE PROPERTY OR ASSET(s) INCLUDING COMPLETE ADDRESS AND LOCATION OF THE PROPERTY]	PINCODE OF THE PROPERTY OR ASSET(s)	DATE OF CREATION	AMOUNT OF CSR AMOUNT SPENT (IN ₹)	DETAILS OF ENTITY/ AUTHORITY/ BENEFICIARY OF THE REGISTERED OWNER		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
1	Land for skilling institute at Gujarat* Address: Survey No. 1054 Area 3-31-84 Ha of Aarey-Amali Land, Part-61-84 , Moje, Sanathal, Taluka: Sanand, District: Ahmedabad	382210	04-11-2025	4,74,88,370	CSR00076748	Foundation for Pharmaceutical Academy for Global Excellence (PAGE)	A-205, Sangam Building, 14B, S V Road, Santacruz (West), Mumbai - 400054

* In FY 2024–25, Dr. Reddy's Laboratories Limited and other Member Companies of the Indian Pharmaceutical Alliance (IPA) collaborated to establish a skilling institute for the purpose of developing talent for pharmaceutical industry through Foundation for Pharmaceutical Academy for Global Excellence (PAGE), a not-for-profit company set up by IPA member companies, at a total estimated cost of approximately INR 200 crores. The participating members including Dr. Reddy's will contribute the cost of the project. This was a spend as part of the Ongoing Projects FY25

9 SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PERCENT OF THE AVERAGE NET PROFIT AS PER SUB-SECTION (5) OF SECTION 135 OF THE ACT

Not applicable.

	G V Prasad Co-Chairman and Managing Director DIN: 00057433	Dr. K P Krishnan Chairman of SCSR Committee DIN: 01099097
Place: Hyderabad Date: May 12, 2026		

Annexure - IV A

Dr Reddy’s Executive Summary

In terms of the Companies Act, 2013, as amended, every company having average CSR obligation of ten crore rupees or more in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, for their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. In line with the above requirement, Dr. Reddy's Laboratories Limited has engaged Price Waterhouse Chartered Accountants LLP to undertake Impact Assessment for eligible CSR Projects completed during FY2025.

FY2025 Out of the CSR spend of ₹77.45Crores, CSR projects of ₹65.68crores, were eligible for impact assessment. In addition, eligible ongoing projects from FY23 were covered under the Impact Assessment study. The following is the summary of the impact assessment report of the eligible CSR Projects:

THEME	PROJECTS	IMPLEMENTING AGENCY	ACTIVITIES	LINK TO SCHEDULE VII ACTIVITIES	AMOUNT SPENT (in Cr.)	IMPACT ASSESSMENT SUMMARY
Education	Kallam Anji Reddy Vidyalyaya (KARV)	Dr. Reddy's Foundation	Quality education to children from rom low-income households	Promoting education	8.5	Activities and Outputs: - KARV achieved 2,264 student strength for the academic year 2024 – 25 Key Findings: - Enabled affordable access to quality education for low-income households - Enhanced learning environment through quality teaching and infrastructure
Education	Kallam Anji Reddy Vocational Junior College (KARVJC)	Dr. Reddy's Foundation	Provided structured vocational training programmes offering technical courses, practical training, and industry exposure to students from economically disadvantaged families	Promoting education and vocational skills among children		Activities and Outputs: - Enable quality vocation training and bridge courses to 827 students from low-income families. Key Findings: - Ensured Quality learning infrastructure and practical training environment - Enhanced income generation and personal empowerment: Strengthened employability through practical exposure, with 98% participation in On the Job Training (OJT) and improvements in confidence (88%) and workplace readiness (85%)

THEME	PROJECTS	IMPLEMENTING AGENCY	ACTIVITIES	LINK TO SCHEDULE VII ACTIVITIES	AMOUNT SPENT (in Cr.)	IMPACT ASSESSMENT SUMMARY
Education	School Improvement Programme (SIP) in government schools	Dr. Reddy's Foundation	Strengthen government schools by improving learning outcomes and creating a safe, supportive environment for holistic student development. The project focuses on building strong Foundational Literacy, Numeracy (FLN) and English skills, promoting health and WASH awareness, and upgrading essential school infrastructure to enhance the overall quality of education.	Promoting education	4.05	Activities and Outputs: - Initiated FLN & EL intervention in 100 government schools, leading to a significant change in learning outcomes - Promote WASH and Nutrition through health clubs in 100 schools Key Findings: - Strengthened Foundational Literacy and English Proficiency: Achieved near-universal literacy outcomes, with 100% word and letter recognition and 98% reading fluency and comprehension. • Mathematical Foundations and Numerical Competency: Strong numeracy skills, with 96–98% accuracy across core arithmetic operations & word problems. - Enhanced Student Engagement and Holistic Learning Development: Strengthened learning ownership and motivation, with 100% valuing education and 95% demonstrating critical-thinking application. Improved resilience and independence, as 95% managed academic stress effectively and 74% attempted complex tasks independently. - Enabled sustained hygiene and health improvements through behavioral change, sanitation adoption, and safe drinking water access through student leadership and peer learning by forming School Health Clubs.
Education	Dr. K Anji Reddy's CAN-DO ETR	Ignite Life Science Foundation (ILSF)	Supports the quest for scientific excellence through funding Early stage transition research in India	Education	1.00	Activities and Outputs: - Identify and nurture healthcare innovation opportunities that may otherwise lie dormant within the Indian academic ecosystem - Encourage and establish a culture of innovation within Indian academia, so that individual investigators become proactive drivers of their ideas to direct solution to healthcare needs Key Findings: - Enduring mentorship and expert guidance was provided - Greater exposure and collaboration with scientists - The grant was Critical financial support for innovative scientific development



THEME	PROJECTS	IMPLEMENTING AGENCY	ACTIVITIES	LINK TO SCHEDULE VII ACTIVITIES	AMOUNT SPENT (in Cr.)	IMPACT ASSESSMENT SUMMARY
Education	Kasturba Gandhi Balika Vidyalyaya	Dr. Reddy's Foundation	Support provision of safe and structured residential education for girls from rural and underserved communities by strengthening school infrastructure and enabling access to secondary education.	Promoting education	2.4	Activities and Outputs: - Safe and structured residential education for girls. The school was provided with proper sanitation and water access and Enabled hygienic food preparation. Key Findings: - Enabled access to safe residential secondary education for girls from rural areas. - Reduced dropout and early marriage risks by enabling continued education in a safe and accessible environment.
Livelihood	Youth Skilling	Dr. Reddy's Foundation	Skilling & Employability Program for Youth	Livelihood enhancement projects	9.7	Activities and Outputs: 2,159 youth incepted and attended training as per plan. - Provided industry-aligned, high-quality employability training to unemployed 2159 youth from low-income families, ensuring measurable skill development, certified delivery standards, and aspirational job placements that lead to sustainable livelihoods and economic growth Key Findings: - Strengthened Economic Position and Improved Socio-Economic status to enhance living standards: Post-training, 100% of participants secured jobs, with average monthly earnings of ₹21,985 (90-day cohort) and ₹14,153 (60-day cohort), marking a major shift from low or irregular pre-programme incomes. Earnings continued to rise after placement by 13% for the 90-day cohort (to ₹24,985) and 18% for the 60-day cohort (to ₹16,753) showing that income growth extends beyond initial employment. - Development of a Skilled and Certified Workforce that Enabled sustainable Livelihoods: 100% of respondents remain employed post-training; while 70% stayed in their initial roles, 30% successfully moved to better jobs within the same roles, showing the programme builds transferable capabilities that support long-term employment and income growth

THEME	PROJECTS	IMPLEMENTING AGENCY	ACTIVITIES	LINK TO SCHEDULE VII ACTIVITIES	AMOUNT SPENT (in Cr.)	IMPACT ASSESSMENT SUMMARY
Livelihood	Persons With Disability Skilling	Dr. Reddy's Foundation	Skilling & Employability Program to mainstream Persons with Disabilities	Promoting employment-enhancing vocational skills, especially among the differently abled	6.77	Activities and Outputs: 1352 youth incepted and attending training on Core Employability skills and Entrepreneurial skills for youth with locomotor, visual, speech and hearing impairment. Key Findings: - Strengthened PwD Employability Skills and Confidence Leading to Sustainable Livelihoods with Elevated Socio-Economic Status - The programme significantly strengthened job-ready skills (70%) and job attainment (75%) - Enabling candidates to expand or create their own small enterprise
Livelihood	Healthcare Skilling	Dr. Reddy's Foundation	Healthcare Skilling & Employability Program for women from low-income families	Livelihood enhancement projects	4.5	Activities and Outputs: 730 youth incepted and 690 youth completed training to be Homecare General Duty Assistants. Key Findings: - The programme effectively bridged the gap between skilling and employment, leading to successful placements in hospitals and homecare settings 85% of trainees showing measurable skill gains, 98% confirming the training met expectations, and 100% securing employment - The project delivered strong livelihood outcomes, increasing employment from 3% pre-training to 94% post-certification
Livelihood	Making Integrated Transformation through Resourceful Agriculture (MITRA)	Dr. Reddy's Foundation	Agriculture Skilling for Farmers	Livelihood enhancement	4.5	Activities and Outputs: - Delivered impactful, scalable and sustainable Agri-extension delivery platform to empower 60564 small and marginal farmers Key Findings: - Consistent Yield and Income Gains Across All Crop Interventions in addition to Significant Cost and Time Savings: Yields improved across all crops under the interventions (12%-56%). Net profits increased across all interventions (23%-53%). - Adoption Intent and Behavioural Change Signal Sustainability: 74% of trainees began cultivation immediately and 78% reported regular income, despite 76% having no prior exposure to mushroom farming.



THEME	PROJECTS	IMPLEMENTING AGENCY	ACTIVITIES	LINK TO SCHEDULE VII ACTIVITIES	AMOUNT SPENT (in Cr.)	IMPACT ASSESSMENT SUMMARY
Health	Community Health Intervention Programme	NICE Foundation	Primary health care services for rural population	Promoting health care, including preventive health	1.84	Activities and outputs: - Extended doorstep primary medical care to 158 villages, catering to a population of 200965 offering screenings, diagnosis, treatment, follow-ups, referrals, Home based care, Awareness etc. Key Findings: - Improved health practices among community members and Increased knowledge about health and wellbeing - Regular and predictable health care services and good convergence contributing to universal health coverage
Health	Improving Services by Strengthening Health Infrastructure in Hospitals	Dr Reddy's Foundation	Infrastructure and Diagnostic support for healthcare	Promoting health care, including preventive health	7.40	Activities and outputs: The upgradation work involved essential diagnostic, pharmacy management, labour room upgradation, staff training and capacity building, efficient patient management using technology and overall infrastructure upgradation to improve healthcare access Key Findings: - Enhanced Diagnostic & Clinical Capacity - Strengthened Maternal & Child Care Services through Improved labour rooms and maternity wards - Improved Patient Experience and Reduced Financial Burden through Local access to diagnostics - System Readiness and Emergency Care through life-saving stabilization and care
Health	Integration of Evidence Based Nutrition	Ahimsa Trust	Training and awareness building, academic collaboration and resource development on evidence based plant-based nutrition.	Promoting health care	1.00	Activities and Outputs - Train doctors from various specialties and based in different parts of the country and equip them with the skillset to actively advocate for evidence-based nutrition as the primary line of health management and thus facilitate a more sustainable and equitable healthcare system. Key Findings: - Equipped physicians to understand the role of nutrition and secured buy-in - Developed credible content and expert speakers to facilitate event

THEME	PROJECTS	IMPLEMENTING AGENCY	ACTIVITIES	LINK TO SCHEDULE VII ACTIVITIES	AMOUNT SPENT (in Cr.)	IMPACT ASSESSMENT SUMMARY
Environment	Action for Climate and Environment (ACE)	Dr. Reddy's Foundation	Deploying various strategies for climate-proofing the livelihoods of small and marginal farmers to adopt climate-friendly technologies and farming practices	Ensuring environmental sustainability, agroforestry, and maintaining the quality of soil, air and water	16.40	Activities and Outputs: - A total of 72,002 acres have been shifted from TPR to DSR - A total of 1,20,524 acres have been shifted from Traditional Farming (TF) to Zero Tillage 680,924 tCO2 carbon equivalent reduced through regenerative agriculture practices 7.83Cr. kilolitres of water saved across all locations under DSR & ZT 1,937 acres have been executed under agroforestry. 2500 soil health cards have been generated and distributed Outcomes: - Reduce the environmental footprint of agriculture by promoting climate-smart and regenerative farming practices - Improved Farm Economics and Resource Efficiency - Ecosystem Restoration and Biodiversity-Led Resilience - Strengthened Farmer Capacity and Sustained Adoption through Structured training, demonstrations, and advisory support



Annexure - V

INFORMATION IN TERMS OF SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) Ratio of the remuneration of each director to the median remuneration of the employees of the company and the percentage increase/ (decrease) in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, and Company Secretary, for FY2026:

Name	Designation	Ratio of remuneration of each Director to the median remuneration of employees	% increase/ decrease in remuneration during FY2026
Mr. Satish Reddy ¹	Chairman	128.62	(14.87)
Mr. G V Prasad ¹	Co-Chairman and Managing Director	202.12	(16.02)
Mr. Leo Puri ²	Lead Independent Director	28.90	12.30
Ms. Shikha Sharma	Independent Director	21.03	10.76
Dr. K P Krishnan	Independent Director	22.24	10.76
Ms. Penny Wan ²	Independent Director	26.48	10.76
Mr. Arun M Kumar ²	Independent Director	28.30	15.72
Dr. Claudio Albrecht ²	Independent Director	25.87	10.76
Dr. Alpna Seth ²	Independent Director	25.27	10.76
Mr. Sanjiv Mehta	Independent Director	22.24	11.77
Mr. Erez Israeli ³	Chief Executive Officer	Not Applicable	5.60
Mr. M V Narasimham ³	Chief Financial Officer	Not Applicable	9.80
Mr. K Randhir Singh ³	Company Secretary, Compliance Officer and Head-CSR	Not Applicable	14.00

Note:

¹ Includes salary, commission and perquisites. They do not receive any amount as remuneration from any subsidiary company.

² Independent Director resident outside India are entitled to get overseas travel compensation for travelling for Board Meetings within the overall commission approved by the shareholders.

³ Includes fixed pay, actual variable pay, fuel & maintenance on actuals.

- (ii) The median remuneration of employees increased by 8% in FY2026.
- (iii) The number of permanent employees on the rolls of the Company as on March 31, 2026, is 27,535.
- (iv) Average percentage increase in the salaries of employees other than KMP for FY2026, was 8.79% as compared to FY2025. There was a decrease of 0.30% in the total remuneration of Executive Directors and KMP for FY2026 on account of computation of remuneration, on accrual basis to Executive Directors and on actual basis for KMP. The remuneration calculated does not include perquisites on account of employee stock options.
- (v) It is affirmed that the remuneration for FY2026 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: May 12, 2026

K Satish Reddy
Chairman
DIN: 00129701

Annexure - VI

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

I. MAJOR CATEGORIES OF ENERGY PROJECTS ARE:

1. Installation of Innovative technology:

At FTO-11 plant HHO (Oxy-Hydrogen gas) project was implemented, where Oxy-Hydrogen gas was sent along with forced draft into the boiler for improvement of the boiler SFR (Steam to fuel ratio) from 4.4 to 4.8 to reduce the fuel consumption by 5-8%

2. Optimization of designs and operational efficiencies:

- Replaced all age-old air compressors of specific power consumption of 0.18 to 0.2 KW/CFM) with new Centrifugal Air Compressors of specific power consumption of 0.14 KW/CFM at CTO-6 plant. This project saved 0.93 Mn KWH / year
- Improved specific energy consumption from 0.84 KW/TR to 0.70 KW/TR at FTO-7 plant by implementing the utility JH for 1200 TR chiller, which saved 0.86 Mn KWH.
- FTO-7&9 plant steam condensate recovery improved from 70% to 90%.
- Installation of 608 KW Heat pump for both hot water and chilled water generation purpose, which resulted in reduction of 4000 Tons/year steam consumption for hot water generation at FTO-11 plant
- Installation of IE-3 motors in place of low energy efficient utility motors at CTO-6 plant. This project saved 0.16 Mn KWH/ year
- Installation of Energy efficient chillers (0.60 KW/Tr) in place of old high specific energy consuming (0.84 KW/TR) chillers at CTO-3, which saved 0.1 Mn KWH
- Boiler fuel switching from coal to Rice husk at CTO-5 plant.
- Apart from above major ideas, 167 energy conservation ideas were implemented in FY 2026 to save 12.68 Mn KWH of power and 12,874 Tons of steam.

II. STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATIVE SOURCES OF ENERGY

- Currently we have rooftop solar capacities of 6 MW, third party PPA's (solar & hydel) 59 MW, 22 MW solar plant through Joint venture company which meets around 40% of Company global power requirement.
- 21.4 MW Round the clock solar & wind (solar: 23 MW, Wind: 40.5 MW) hybrid ISTS renewable power project commissioned through JV company for supplying 140 Mn KWH /Year which helps to reduce 97,324 Tons of scope-2 emissions.
- Last boiler fuel switching from coal to biomass fuel completed at CTO-5 plant. This project helps to reduce 40,000 Tons of scope-1 emissions. With these all-primary boilers are operating with Biomass / Natural gas fuels, which will set clear path for Net-Zero goal.

III. THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT'S & PROJECTS:

- During the year, the Company has implemented energy conservation projects across its various business units and accrued savings of approximately ₹360 Mn against an investment of ₹659 Mn which includes ₹359 Mn investment in joint venture for solar & wind hybrid power supply.
- With the above energy saving projects implementation, we have reduced 10,847 tons of CO2 emissions during the year.
- Proposal in pipeline to invest ₹337 Mn for sourcing 20 MW (122 million KWH) renewable power through a hybrid project of wind and solar through ISTS under group captive mode.

B. TECHNOLOGY ABSORPTION

(i)	Efforts made towards technology absorption	The Company has a full-fledged R&D division continuously engaged in research on new products and process improvement on existing products as part of continuous improvement in and outside India. As a part of technology absorption and adoption, once technology is developed for a product, it is tested in a pilot plant and thereafter commercial production is performed. Innovation is embarked by an incremental approach towards cost, time, quality and complex product development by adopting cutting edge technology and our philosophy is to continuously upgrade the technology. AI in R&D: At R&D, we are examining the entire value chain and selecting critical use-cases that have a significant impact on unlocking value. This value is manifested through timely product launches achieved by leveraging data science and digital technologies. We are harnessing the power of digital in API (active pharmaceutical ingredients)by generating pre-determined synthetic routes, in formulations by leveraging digital tech pack that include Gen AI based development strategy note, drug excipient compatibility, Insilco experimentation, nitrosamine risk prediction and accelerated stability prediction to fast-track formulation drug development, with high accuracy on product quality. We are working heavily in the space of digital led peptide synthesis, scale ups and immunogenicity risk mitigation, using home grown digital applications. Advance Characterization Capability: Advance Analytical Characterization capability has been established using hyphenated analytical equipment's to study various physicochemical properties of drug substance and drug product, de-formulating the reference product that aid in bringing the drug much faster to the market. Green Chemistry: We developed in-house capability to develop and implement the set of green chemistry principles and practices that aim to design chemical processes and products that minimize the use and generation of hazardous substances. By adopting green chemistry technologies, we could reduce our environmental footprint and improve sustainability, while also potentially reducing costs and improving efficiency. Continuous Manufacturing (CM): We commissioned a state-of-the-art Continuous Manufacturing (CM) facility for APIs and a first API, was successfully validated and filed from this platform. This milestone received recognition from the USFDA Emerging Technology Team (ETT). Molecular modelling and PAT capabilities: We institutionalized advanced process and molecular modelling tools to enable right-first-time scale-up, reduce development timelines and enhance efficiency, particularly for complex formulations. Additionally, we also enhanced our Process Analytical Technology (PAT) capabilities through wider deployment of advanced analytical tools across development and manufacturing. These technologies supported improved process understanding, reduced quality control burden and evaluation of real-time control strategies for critical unit operations. In addition, selective separation and purification technologies were implemented to improve yield, quality and process robustness, with successful scale-up achieved for identified products.
(ii)	Benefits derived like product improvement, cost reduction, product development or import substitution	The adoption of advanced technologies and robust scientific principles enabled the development of complex generic products at the desired cost with enhanced quality, while strengthening in-house capabilities and scientific understanding to support faster, on-time regulatory approvals and a more efficient overall system.
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – a. Details of technology imported b. Year of import c. Whether the technology been fully absorbed If not fully absorbed, areas where absorption has not taken place, and the reasons therefore.	No imported technology

(iv) Expenditure incurred of R&D		
	FY2026	FY2025
Capital (₹ in mn)	785	1,404
Recurring* (₹ in mn)	20,785	24,167
Total (₹ in mn)	21,570	25,571
Total R&D expenditure as a % of total turnover	10.51%	11.06%

* Excluding depreciation and amortization

C. FOREIGN EXCHANGE EARNINGS & OUTGO

Foreign exchange earned in terms of actual inflows and foreign exchange outgo in terms of actual outflows during the year:

Particulars	FY2026
Foreign Exchange earned in terms of actual inflows (₹ in mn)	146,702
Foreign Exchange outgo in terms of actual outflows (₹ in mn)	63,520

For and on behalf of the Board of Directors

Place: Hyderabad
Date: May 12, 2026

K Satish Reddy
Chairman
DIN:00129701

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY2025-26



KEY HIGHLIGHTS OF BRSR FY2025-26

Principle 1

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

- a. 80.1% of our employees and 75.9% workers received periodic training on ethical conduct, aspects of human rights, skilling and wellbeing, and ESG goals and matters.
- b. No disciplinary action against Directors/KMPs/Employees/ Workers by any law enforcement agencies for charges of bribery/corruption
- c. No cases of fines, penalties, fees, or settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators, law enforcement agencies, or judicial institutions

Principle 2

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

- a. We conducted Life Cycle Assessment for 8 products (5 API's, 3 formulations for Cradle-to-gate) and these have no significant social or environmental risks
- b. 100% of our inputs are sourced from suppliers who abide by our Third Party Code of Conduct
- c. 98% of our global waste is diverted from landfill to recycling / co-processing / reuse
- d. 92% of cold boxes are reused at CFA or stockist level

Principle 3

Respect and promote the wellbeing of all employees, including those in value chains

- a. Permanent employees and workers are covered under health and accident insurance, and maternity and paternity benefits
- b. 91.9 % return to work rate and 90.5 % retention rate for our permanent employees post parental leave
- c. 97% employees and 77.5 % workers were provided skill upgradation training
- d. 72.4% employees and 59.6 % workers were provided health and safety measures training
- e. 96.7% of employees and 98.9% of workers have undergone performance and career development reviews
- f. Combined LTIFR per one mn-person hours worked is 0.04



Principle 4

Respect the interests of and be responsive to all its stakeholders

- a. Comprehensive stakeholder engagement including a new double materiality assessment to understand their impact and financial materiality and stakeholder expectations to inform our ESG strategy
- b. Evolved process for considering feedback of the stakeholders on economic, environment and social topics by the Board
- c. Evolved process for engagement and support of the vulnerable and marginalised stakeholders group

Principle 6

Respect and make efforts to protect and restore the environment

- a. 50% absolute reduction in scope 1&2 emissions from baseline year 2023
- b. 78% of electricity consumption through renewable power
- c. 90,249 KL of harvested rainwater consumed
- d. 7.7 % decrease in reported Scope 3 emissions from previous financial year

Principle 8

Promote inclusive growth and equitable development

- a. 71.5% of input materials were sourced from within India
- b. Job creation in Rural, Semi-urban and Urban areas was 6.5%, 8.5% and 8.7%, respectively, of total during the year
- c. Positively impacted ~1,119,100 individuals through CSR initiatives

Principle 5

Respect and promote human rights

- a. 76.2 % of employees were given training on human rights
- b. 100% of our employees and permanent workers are paid more than the minimum wage
- c. Median remuneration of male and female employees was ₹ 0.7 million and ₹ 0.88 million respectively
- d. 100% of plant or offices were assessed for human rights issues

Principle 7

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

- a. Associated with eight trade and industry chambers/ associations to foster dialogue on key policy issues
- b. Advocated on regulatory changes regulatory changes, R&D and intellectual property protection, access and affordability, and counterfeit drugs
- c. No adverse order/action from regulatory authorities on anti-competitive conduct

Principle 9

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

- a. 100% of our formulation products representing 89% of revenue carry information about safe and responsible usage on product labelling and packaging
- b. No forced recalls, 17 voluntary recalls
- c. No consumer complaints on data privacy, advertising, cyber-security, delivery of essential services, or restrictive or unfair trade practices
- d. No major service disruptions

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A

GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L85195TG1984PLC004507
2. Name of the Listed Entity	Dr. Reddy's Laboratories Limited
3. Year of incorporation	1984
4. Registered office address	8-2-337, Road No. 3, Banjara Hills, Hyderabad – 500 034, Telangana, India
5. Corporate address	8-2-337, Road No. 3, Banjara Hills, Hyderabad – 500 034, Telangana, India
6. E-mail	shares@drreddys.com
7. Telephone	+91-40-49002900
8. Website	http://www.drreddys.com
9. Financial year for which reporting is being done	April 1, 2025 to March 31, 2026
10. Name of the Stock Exchange(s) where shares are listed	a. BSE Limited b. National Stock Exchange of India Limited c. New York Stock Exchange, Inc d. NSE IFSC Ltd
11. Paid-up Capital	INR 83,46,56,970
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. K Randhir Singh Company Secretary, Compliance Officer & Head-CSR 91-040-4900 2222 shares@drreddys.com
13. Reporting boundary	The disclosure under BRSR is on consolidated basis unless otherwise specified at the respective section.
14. Name of assessment or assurance provider	DNV Business Assurance India Private Limited (DNV)
15. Type of assessment or assurance obtained	a. BRSR Core - Reasonable assurance b. Other selected BRSR indicators - Limited Assurance

II. Products/services

16. Details of business activities (accounting for 90% of the turnover)

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



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

S. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Development, manufacturing & sale of generic formulations including biosimilars and consumer healthcare	21009	89
2.	Development, manufacturing & sale of active pharmaceutical ingredients & custom pharmaceutical services	21009	10

III. Operations

18. 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	27	15	42
International	6	63	69

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States and Union Territories)	36
International (No. of Countries)	87

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

Out of the total turnover of ₹ 20,102 Crore (Excluding service income and license fees) on standalone basis, the turnover of the products sold in India is ₹ 6,416 Crores (32%) and that of other countries is ₹ 13,686 Crores (68%).

c. A brief on types of customers

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

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total	Male		Female		Others	
			No.	%	No.	%	No.	%
Employees								
1	Permanent	27,527	21,789	79.1	5,735	20.8	3	0.1
2	Other than permanent	9,199	6,172	67.1	3,024	32.8	3	0.1
Total		36,726	27,961	76.1	8,759	23.8	6	0.1
Workers								
1	Permanent	564	542	96.09	22	3.90	0	0
2	Other than permanent	5,197	4,246	81.70	951	18.29	0	0
Total		5,761	4,788	83.11	973	16.88	0	0

b. Differently abled Employees and workers:

S. No.	Particulars	Total	Male		Female		Others	
			No.	%	No.	%	No.	%
Differently abled Employees								
1	Permanent	116	76	65.5	40	34.5	0	0
2	Other than permanent	8	5	62.5	3	37.5	0	0
Total		124	81	65.3	43	34.7	0	0
Differently abled Workers								
1	Permanent	0	0	0	0	0	0	0
2	Other than permanent	18	16	88.9	2	11.1	0	0
Total		18	16	88.9	2	11.1	0	0

21. Participation/Inclusion/Representation of women

Particulars	Total	No. and percentage of Females	
		No.	%
Board of Directors ¹	10	3	30
Key Management Personnel (KMPs) ²	3	0	0

1 Directors Individual Competence, Expertise and Skills is forming part of the Corporate Governance Report in the Integrated Annual Report on page 216

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

22. Turnover rate for permanent employees and workers

	FY 2025-26				FY 2024-25				FY 2023-24			
	Male	Female	Others	Total	Male	Female	Others	Total	Male	Female	Others	Total
Permanent Employees (%)	19.5	20.5	0	19.7	19.3	19.1	22.2	19.2	18.2	19.0	12.5	18.4
Permanent Workers (%)	5.7	32.6	0	6.7	9.2	68.8	0	12.3	8.0	34.1	0	9.7

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

23. (a) Names of holding / subsidiary / associate companies / joint ventures

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

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

Yes, all the entities, wherever applicable, participate in the relevant Business Responsibility initiatives of the Company. However, environmental and social performance data for joint ventures that are not being consolidated into the financial statements, such as Kunshan Rotam Reddy Pharmaceutical Co. Limited, China, DRES Energy Private Limited, India, and O2 Renewable Energy IX Private Limited, is excluded.

VI. CSR Details

24. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes ¹		
(i) Turnover (in INR Million)		205,328
(ii) Net worth (in INR Million)		313,656
1 As per Ind AS standalone financial statements		

VII. Transparency and Disclosures Compliances

25.

Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/ No)	(if Yes, then provide web link for grievance redress policy)	FY 2025-26			FY 2024-25		
			Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year [#]	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes*	Refer to Note below	0	0		0	0	
Investors (other than shareholders)	Yes*		0	0		0	0	
Shareholders	As per applicable law		49	0		7	0	
Employees and Workers	Yes*		454	56		427	67	
Customers	Yes*		2,128	7		956	4	
Value Chain Partners	Yes*		38	12		50	9	
Others (please specify)	Yes*		91	9		112	27	

Number of complaints classified as “pending resolution at the close of the year” for FY 2024-25 were closed in FY 2026

Note: *Shareholders can register their grievances on the SCORES Portal at <https://scores.sebi.gov.in/> and the ODR Portal at <https://smartodr.in/>. All other stakeholder groups including customers, value chain partners, communities, and employees and workers can raise a concern by accessing the <https://drreddys.ethicspoint.com> portal or calling on the hotline number available on the portal. They may also write to complianceofficer@drreddys.com or chiefombudsperson@drreddys.com, or send their grievance by post or courier to the Chief Compliance Officer/Chief Ombudsperson. Several policies guiding the Company’s conduct with all its stakeholders, including grievance mechanisms are placed on the Company’s website and can be found on <https://www.drreddys.com/investor#governance>. In addition, there are internal policies placed on the intranet of the Company that are accessible by employees.

26 Overview of the entity’s material responsible business conduct issues

S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
1	Access to medicines	Opportunity	Increasing access to medicines is a major opportunity as it aligns with Dr. Reddy’s core purpose of "Good Health Can't Wait" and provides a significant business advantage. By focusing on access, affordability and innovation, we can reach more patients and contribute to global health improvement.	- We are committed to serve 1.5 billion patients by 2030 and bring at least 3 innovative solutions to improve the standard of treatment every year from 2027. We are launching more innovative drugs and expanding our product portfolio, increasing our go-to-market through diverse collaborations and licensing arrangements, and through greater presence in public health. - We are strengthening our product pipeline through a combination of new drug development, acquisitions, and expansion into new therapeutic areas, while also focusing on biosimilars, differentiated products, and increasing our global reach. - Access, affordability and innovation work together to drive everything we do. During FY2026, we strengthened our pipeline through novel drug development and AI-assisted discovery, expanded our biosimilars portfolio into regulated markets across Europe and the UK, and partnered with global health institutions to bring critical treatments to over 14 low and middle-income countries. - We built new commercial infrastructure in sub-Saharan Africa and Southeast Asia and continued investing in health systems strengthening and patient support beyond the pill. Our conviction remains simple: good health cannot wait, and every patient deserves timely access to safe, effective and affordable treatment.	Positive



S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
2	Affordability of medicines	Opportunity	Bringing generic equivalents of innovator drugs with speed and ensuring higher affordability for patients is a significant opportunity for us to expand market access, potentially increasing sales and market share. By focusing on affordable options including generics, biosimilars, and innovative drugs, we can reach patients who might otherwise not be able to afford treatments. This also allows us to address systemic affordability issues and build trust with patients and healthcare providers.	- Our products significantly bring down treatment costs in a therapeutic class while maintaining the same quality, safety, and efficacy as with the reference product, resulting in savings and increased access to treatment. - We have committed to ensuring 40% of our new launches are first-to-market by 2030. By launching generic versions on day one, we can reach more patients sooner, and the ability to quickly enter the market and offer generic versions at a lower price point makes the treatment more affordable for patients. In FY 26 we have 43% of new launches are first to the market in priority markets - We have a strong focus on biosimilars, which are similar to the original reference biologic drugs but at a lower cost. Our work in biosimilars has made treatments for conditions like cancer and anaemia more accessible to patients worldwide. - In India, Obeda, the first DCGI-approved generic equivalent of semaglutide injection, established non-inferior efficacy and a safety profile comparable to the innovator drug. A GLP-1 receptor agonist with a globally proven track record in glycaemic control and weight management, its launch meaningfully expands affordable access to a therapy class that has transformed diabetes and cardiometabolic care. - We also offer patient assistance programmes such as Sparsh for underprivileged cancer patients in India, and co-pay savings programs in the US for multiple products.	Positive

S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
3	Customer satisfaction	Opportunity	Engaging with customers through a formal feedback mechanism helps us understand their requirements, improve brand loyalty and drive business growth, and ensure patient safety and satisfaction.	- Dr. Reddy's serves a diverse range of customers globally, including pharmaceutical companies, healthcare providers, and consumers. - We ensure customer satisfaction through a multifaceted approach that includes dedicated customer service platforms such as XCEED, real-time feedback mechanisms, a robust supply chain, and a focus on quality and innovation. - We use data analysis to gain insights into customer preferences and behaviours, informing our product development and marketing efforts. - Our Customer Service Centre acts as a single point of contact for customers across various geographies, providing support for inquiries and sample requests. Our customer service team maintains a long-lasting relationship with key customers to add value in their product development and commercialisation processes.	Positive



S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
4	Inadequate product quality, Counterfeit products	Risk	Inadequate product quality can compromise the efficacy and safety of medications and is a significant risk potentially causing harm to patients. Inadequate quality control can lead to non-compliance, resulting in fines, recalls, and even suspension of operations. Counterfeit products are unsafe or ineffective and can be potentially life-threatening. The pharmaceutical industry has been increasingly challenged by the vulnerability of distribution channels to illegal counterfeiting and the presence of counterfeit products in a growing number of markets and over the internet. Third parties may illegally distribute and sell counterfeit versions of our products, which do not meet the rigorous manufacturing and testing standards that our products undergo. Adverse events caused by unsafe counterfeit products may mistakenly be attributed to the authentic product, and reports of adverse reactions to counterfeit drugs or increased levels of counterfeiting could materially affect patient confidence in the authentic product, and harm the business of companies such as ours.	- We implement a robust quality management system (QMS) whose procedures are built on key regulatory frameworks governing pharmaceutical development and regulation globally. Our facilities and products are also regularly inspected by international regulatory agencies such as the US FDA, EMA, MHRA, ANVISA, and CDSCO. - We also follow ISO 9001:2015 principles and all our manufacturing facilities are in compliance with GxP standards, including cGMP. Our suppliers are subjected to periodic evaluation processes that prioritise quality parameters and ensure compliance with cGMP requirements - We implement advanced quality control measures, ensure proactive risk management with risk controls and thorough documentation, and conduct regular audits. - Various governments have enacted laws intended to combat counterfeiting, including the U.S. Drug Quality and Security Act and the EU's Falsified Medicines Directive (FMD). We have successfully implemented the FMD since 2019, and only those prescription drugs which have a unique serial number on the pack, and where the integrity of the pack can be seen, have been placed on the market ever since. - In addition to complying with these laws, we have put in place internal mechanisms to monitor incidents that come to our notice, and we proactively carry out regional surveys. We also have a robust system that enables us to track and trace our medicines from the point of manufacture to the point of dispensing. - During the year, we further strengthened internal audit mechanisms. Multiple lines of defence, supported by Anytime Readiness Audit Mechanism (ATAR), continue to reinforce governance, resilience, and trust through self-inspections, SOX audits, GQM audits, GEMBA's, Quality Governance reviews, and Audit Readiness check-ins. Compared with last year, we saw a significant reduction in Class 2 recalls - Our investments in serialisation and aggregation continue to help us comply with global regulations and standards, with enhanced operational efficiencies for our downstream partners.	Negative

S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
5	Business continuity	Risk	We operate in a complex geopolitical and regulatory environment, and this entails potential challenges and uncertainties arising from geopolitical factors and intricate regulatory frameworks. This includes geopolitical instability, changes in government policies, trade disputes, sanctions, and intricate compliance requirements. These factors can pose risks to operations, supply chains, market access, and overall business performance, requiring proactive monitoring and strategic adaptation to mitigate potential adverse impacts.	- We are focused on the identification of key business, operational, strategic, and business continuity risks through our ERM and assurance functions. We have implemented risk management measures and a formal business continuity plan to ensure our operations can continue despite potential disruptions. - We prioritise a sustainable supply chain - conducting supplier risk management, and ensuring diversification for the timely availability of our medicines. To improve our resiliency posture, we focus on the ability to provide and maintain an acceptable level of service in the face of any interruption and proactively plan for being prepared to respond to an uncertain situation. - Ensuring employee safety is a top priority for us, and we prioritise their wellbeing during any crisis, with a clear communication plan and appropriate channels for employees and regulatory authorities.	Negative



S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
6	Information security, Data privacy	Risk	Information security and cybersecurity pose a significant risk to our industry. Our business is dependent upon increasingly complex and interdependent information technology systems, including internet and cloud-based systems, to support our business processes as well as internal and external communications. In addition, our businesses and operating models increasingly depend on outsourcing and collaboration, which requires exchanging data and information. The size and complexity and interconnectivity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion, computer viruses and other cyber-attacks. Any compromise or disruption may result in the loss, theft, or unauthorised disclosure of key information and/or disruption of production and business processes, materially and adversely affecting our business. Data privacy is a significant risk due to the nature of the industry and of our business and the sensitive nature of personal data which we process directly or through our third parties. We are subject to data privacy and protection laws and regulations in many different jurisdictions and countries where we do business, and a failure to comply by us or by the third parties acting on our behalf could result in fines, administrative and criminal penalties, reputational damage, and adversely impact the way we operate our business.	- Our Information Security Management System (ISMS) is based on internationally recognised frameworks such as ISO 27001 and NIST CSF. We use a comprehensive technology stack to implement the above control framework and carry out periodic independent assessments to review the effectiveness of these controls. Any gap identified in the control framework goes through an established risk management process aligned with industry frameworks such as the COSO ERM. We perform regular risk assessments and take all necessary precautions to protect, prevent and detect such risks. - As part of our resiliency strategy, we have an IT disaster recovery plan in place for our key applications to minimise impacts from any unanticipated events and breakdowns. - We maintain cybersecurity insurance, and our third-party service providers have invested in measures to reduce these risks. - Our Cyber security maturity model is reinforced by a leading consulting partner and tested through regular simulated internal and external cyber-attacks, which benchmark our response capability and drive continuous improvement. We also deploy a comprehensive technology stack, including continuous attack-surface and cloud monitoring, and subject it to periodic independent assessments to verify control effectiveness. - During FY 2026, we completed two major audits: an ISMS audit and a NIST Cyber Maturity assessment spanning both IT and OT environments, evaluating our readiness against current operations and planned expansion.	Negative

S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
7	Regulatory compliance, Governance beyond compliance	Risk/ Opportunity	Compliance with regulatory requirements in the pharmaceutical industry is a complex process and presents multiple types of risks. If we fail to comply fully with government regulations or to maintain continuing regulatory oversight applicable to our research and development activities, or if a regulatory agency delays or denies approvals for new products, it may increase the cost of developing new products, increase the risk of not being able to successfully sell them, and affect the realisation of product revenues. If we fail to comply with the regulatory standards of agencies in manufacturing of quality products, there may be a delay in approvals of new drug applications or products, invite additional regulatory or legal action, and increase costs associated with remedial action, impacting our business, financials and operations. If we fail to comply with environmental laws and regulations, face environmental litigation, or any of our plants or operations are shut down, it may severely hamper our ability to supply products to our customers, and we may face substantial costs that could adversely affect our consolidated financial position, results of operations or liquidity. Governance beyond compliance can help us get a competitive edge, improve business performance, make operations more efficient, help mitigate risks, enable value creation, and strengthen stakeholder relationships.	- We actively monitor upcoming regulatory changes and emerging guidelines and requirements, connecting regularly with regulatory agencies. We use tools such as Legatrix (Compliance Watch) to track compliance obligations, generate reports, and stay updated on legal and compliance changes. - We have robust and comprehensive compliance programmes with policies, procedures, and guidelines for employees including training. - We regularly monitor and assess all our operations and business practices to ensure adherence to legal and ethical standards, identify any potential risks early, and promote a culture of ethics and integrity at Dr. Reddy's. All our key business functions are audited comprehensively at least once in three years, and we develop and implement corrective & preventive actions to address any identified issues. These results are also shared with our management and board. - We go beyond just meeting the compliance requirements through our principles and practices such as ensuring the same quality standards for all countries, practicing the highest ethical values while marketing our products, and offering product pricing that enhances higher patient reach, etc. - Two of our key ESG goals focus on governance beyond compliance - we are committed to upholding the highest standards of compliance and ethics, and progressively enhancing our disclosures. - We use a more proactive and strategic approach to governance, incorporating ESG into business practices. This includes integrating ESG into board oversight, engaging with stakeholders on ESG issues, linking ESG goals to executive directors' compensation, integrating ESG into risk management, and using ESG criteria to assess partners and vendors. - We conducted a double materiality assessment last year, an essential first step towards CRSD compliance preparedness, evaluating material topics from both an ESG impact perspective and their potential influence on the organisation's financial performance	Negative/positive



S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
8	Unethical practices, Bribery & corruption	Risk	Unethical practices may be a significant risk as they could lead to financial penalties, reputational damage, and even criminal charges. Our commitment to strong corporate governance is integral to our business and it helps us create long-term value for all our stakeholders. Considering the sheer size and nature of the industry and a combination of factors including complexity in distribution networks, interactions and high value transactions with public entities, bribery and corruption pose significant financial, regulatory, and reputational risks to pharmaceutical companies. Our policies mandate compliance from us and third parties acting on our behalf, with anti-bribery laws, which if not complied, may lead to substantial penalties including fines, criminal prosecution and potential debarment from public procurement contracts.	- We have established a strong compliance framework and program. Our Code of Business Conduct and Ethics (COBE) applies to all Directors and employees of our Company, its subsidiaries, and affiliates. It lays down the principles that guide our conduct and strengthens our decision-making and promotes stakeholder trust. COBE has been designed to comply with the requirements of Companies Act, 2013, and the Sarbanes Oxley Act of 2002 and its implementing regulations. - While contracts with our suppliers, contractors, and business partners include adherence to our principles concerning ethics, there is a separate code of conduct required to be followed by our suppliers and service providers. Our Global Marketing Code provides a minimum set of standards in interacting with healthcare professionals and healthcare institutions, while engaging in sales, research, marketing and promotion are covered under the Third Party Code of Conduct, which is modelled on the Principles for Responsible Supply Chain Management (PSCI), mandating 100% compliance. - We conduct our business as per our Anti-Bribery and Anti-corruption policies, and all applicable laws. The ABAC policy emphasises our zero-tolerance approach to bribery and corruption and principles established based on our ABAC standards. - The board of directors maintains oversight on ABAC governance, ensuring that best practices of the ABAC management system are established, implemented, maintained and reviewed to adequately address the company's bribery & corruption risks, including the policy and the guidelines. - Our third-party risk management (TPRM) policy sets forth the ABAC policy standards required for all our vendors and third-party agents. In addition to requiring initial due diligence screenings and ABAC training and certification, our TPRM policy mandates that contracts with these third parties include ABAC compliance obligations.	Negative

S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
9	Process efficiency and innovation, Green chemistry	Opportunity	Process efficiency and innovation provide an opportunity to enhance operations, reduce costs, and accelerate drug development. Using recycled and reused materials also helps reduce waste, and promote sustainability, minimising reliance on virgin resources and optimising resource utilisation. By focusing on improving processes, from drug development to manufacturing and supply chain, we could achieve higher quality outcomes, reduced timelines, and greater profitability. Green chemistry presents a significant opportunity for us to become more sustainable, innovative, and cost-effective. Adopting green chemistry principles can help reduce overall environmental impact, improve efficiency, lower production costs, enhance safety (due to reduced chemicals), and lead to innovation while also aligning with increasing public and regulatory expectations for environmental responsibility.	- We have integrated our strategy deployment and daily performance dialogues and are focusing on maximising value creation and minimising waste in our processes through Lean Management System. Our lean initiatives target a 20–30% boost in productivity, driving both steady incremental improvements and substantive, large-scale change transformations. - In some of our operations, we recover the spent solvent through solvent recovery systems and reuse it in our operations. We also reduce packaging layers and overall material usage, using recycled content where feasible, and ensuring tertiary packaging materials are recyclable or reusable. - We use green chemistry to minimise or eliminate hazardous substances in chemical processes and products. - By improving Process Mass Intensity (PMI), we optimise yield, enhance solvent and catalyst recovery, and minimise hazardous waste generation, seeing a 15-18% improvement in PMI values. We also reduced waste by 18% for 6 high-volume products. 14 products were evaluated through chemistry gate clearance during FY2026. None of the evaluated products used acetonitrile or hazardous solvents in the development process.	Positive



S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
10	Inadequate process safety systems, Occupational health and safety (emergency response system)	Risk	Inadequate safety systems increase the possibility of equipment malfunction, often leading to severe consequences for workers such as injuries and fatalities, and environmental damage. Proactively identifying, assessing and managing potential hazards, ensuring adequate training, and implementing stringent safety and quality control measures helps us ensure employee safety, reduce environmental damage, and maintain our operational integrity and reputation. A lack of clear planning or effective emergency response procedures, necessary resources such as equipment and communications systems, and trained personnel, increases the risk of injuries, fatalities, and property damage.	- Process Safety is one of our key focus areas as we deal with various hazardous chemicals during manufacturing or R&D activities. We have framed our internal guidelines on process safety, and we carry out risk assessments including What-If, HIRA, and HAZOP to mitigate the process safety risks from laboratory scale to commercial operations by applying inherent safety design principles with all effective hierarchy of controls. - We conduct monthly process safety governance at all sites and at the business unit level with the required cross functional teams, focusing mainly on reviewing the status and compliance on Process Safety Information (PSI), Process Hazard Analysis (What- If, HIRA, HAZOP), Management of Change (MOC), Pre Start up safety review, revalidation of PHA with cyclical reviews and all proactive passive and active safeguards along with focusing on safe handling of high hazard processes and high hazard chemicals, continually enhancing competence of employees with adequate trainings. - We ensure our employees and contractors are adequately trained on safety hazards, governance systems, and precautionary and other safety measures. - All our manufacturing facilities have an onsite emergency plan that includes emergency preparedness, with the goal of keeping our business up and running. The plan is revised annually, and all credible scenarios are part of the plan, including frequent mock drills and full-site evacuation drills for concerns like fire and chemical spills. - A well-equipped Emergency Response Team (ERT), our incident management team trained in firefighting and rescue operations, is present at each location in each shift. All the locations are equipped with the first aid kits over and above the legal requirements.	Negative

S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
11	Labour management, Diversity & Inclusion, Talent retention (employee satisfaction)	Risk/ Opportunity	Labour management is a significant risk due to high compliance requirements on labour practices, and talent shortages in the industry – particularly in STEM, and the need for highly skilled experienced professionals. Failure to address these challenges may lead to delays in research and development, production issues, and failure to serve patients. Fostering diversity and inclusion in the workplace presents a strategic opportunity as it offers a broader range of perspectives from our people, leading to more effective problem solving and creative solutions. This could enable better innovation, improved patient care, and a more engaged workforce. Competition among pharmaceutical companies for qualified employees is intense, and the ability to retain and attract qualified individuals is critical to our success. Human capital development initiatives such as ensuring a positive and equitable environment, investing in employee health, and offering training and skill development, enhance employee satisfaction and wellbeing. This enables talent retention, foster innovation, and drive productivity, providing a competitive edge and translating to a positive brand image.	- We are committed to comply with labour management regulations, maintain a workplace free from discrimination, and ensure proper remuneration for all employees. - Our organisation is committed to adhering to the principles of International Labour Organisation (ILO) conventions, ILO code of practice, Universal Declaration of Human Rights, The International Covenant of Economic, Social, Cultural, Civil and Political Rights, UN Guiding Principles on Business and Human Rights. - We actively support STEM education initiatives, both internally and externally, and strengthen our talent pipeline through apprenticeships with local government initiatives focusing on skill development. We also offer training and job opportunities, particularly for young women in science. - We have set targets for gender parity as well as increased women representation in leadership/ top management positions to boost diversity. We are also committed to increasing the representation of persons with disabilities in our workforce. - We are also working to increase the representation of women across roles and teams, exploring new entry level routes such as apprentice hiring and actively recruiting women for STEM roles, while increasing our representation of women in manufacturing and sales roles. - Through our women leadership development programmes, mentoring initiatives, representation in external forums and coaching programs, we are invested in career development for women leaders. - We are working closely with Dr. Reddy's Foundation to increase the representation of Persons with Disabilities (PwDs), introducing a focused internship program to acclimatise and absorb PwD employees into the workforce, while also sensitising hiring managers and recruitment teams on infrastructure and support required to enable them to deliver on their job	Negative/Positive



S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
				- We use people analytics to measure employee performance, identify current skill gaps, and flight risks to improve retention. - We actively address and resolve structural talent gaps by providing long-term reskilling and upskilling opportunities to our workforce, including digital learning initiatives. - We embed strategic workforce planning into our operations strategy, and this helps in fostering internal mobility for well-suited roles, enhancing people productivity and containing staff costs. - We are maintaining an internal pipeline of qualified and experienced critical talent, particularly in specialised fields, to deliver our business priorities.	
12	Climate change and Greenhouse gas emission	Risk	Climate change remains a source of considerable threat for pharmaceutical companies, leading to manufacturing and supply chain disruptions, and increased need for medications due to climate induced health impacts (the consequences of extreme weather events on food security, the harmful air pollution resulting from wildfires, and the rising prevalence of infectious diseases. Considering the industry's energy-intensive production processes and extensive supply chains, greenhouse gas (GHG) emissions pose several risks including operational impacts, regulatory penalties, reputational damage, and supply chain disruptions, making pharmaceutical companies vulnerable to climate-related regulations and public scrutiny.	- We are committed to carbon neutrality in our direct operations by 2030, and our Net Zero target year is FY 2045 and which is approved by SBTi during FY 2026. - Our decarbonisation strategy focuses on energy mix, conservation, performance, transition. - FY 2026 also delivered the culmination of a multi-year fuel transition. Every primary operating boiler across our manufacturing network has now been converted to biomass, briquettes, or piped natural gas. Coal is no longer part of the operational fuel mix. - To reduce our value chain emissions, we are engaging with high-value spend suppliers, building capacity of strategic suppliers, and shifting from air to sea shipments. We are also diversifying our supply chain, sourcing raw materials sustainably and promoting local sourcing. - Last year, we conducted a comprehensive climate risk assessment aligned with the IFRS S2 framework. Using scenario analysis, we mapped site-level climate exposures, assessed supply chain vulnerabilities, and modelled financial impacts for key operational clusters.	Negative

S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
13	Energy consumption, Use of renewable energy	Risk/ Opportunity	As a pharmaceutical company, the bulk of direct emissions come from running boilers and indirect emissions from purchased electricity for both industrial and domestic purposes. Fluctuating energy prices, potential supply chain disruptions due to energy shortages, and increased environmental pressure to reduce carbon emissions may lead to higher production costs, quality issues, and difficulties in meeting global supply demands. The use of renewable energy offers several opportunities including operational cost savings, reduced emissions and a carbon footprint, and increased energy resilience and independence.	- We have established a transition plan for Scope 1 and 2 emissions, with progress tracked through climate-related indicators. To meet near-term goals, we are committed to using 100% renewable electricity by 2030, switching to biomass fuels for boilers, and reducing energy demand through efficiency initiatives and green technologies. - Our decarbonisation strategy includes reducing our energy consumption with energy efficient technologies and processes, adopting low or no carbon fuels, substituting fossil fuels in boilers with alternate biomass fuel sources such as rice husk and briquettes, purchasing energy from renewable sources, and realigning our business operations to lower emissions. - Inter-State Transmission System (ISTS) renewable power supply through Dr Reddy's joint venture companies, and long term power purchase agreements effectively mitigate the risk of fluctuating energy prices. Joint ventures and power purchase agreements help us pool resources and expertise, achieve economies of scale and reduce costs, increase energy security through diversified supplies such as solar, wind & hydel, and stabilise energy prices. - We will continue investing in solar, hydel, and wind projects, driving energy management, conservation, and efficiency to accelerate our green transition.	Negative/Positive



S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
14	Water use Wastewater management	Risk	Water is a critical input to the manufacturing of medicines, used as a raw material in the production, processing and formulation of APIs, intermediates and finished pharmaceutical products (FPP), in the preparation of solvents and reagents, and for cleaning (e.g. washing and rinsing). Inefficient water management can lead to higher production costs, and regulatory issues. Wastewater release and contamination of local water bodies can pose a significant risk to communities, impact flora and fauna, contributing to loss of biodiversity, environmental degradation and pollution, along with public health issues and reputational damage.	- Water risks are assessed as part of an established enterprise risk management framework periodically. We conduct thorough water risk and evaluation studies at all our watersheds to identify alternative rich water resources. - Our water management strategy involves key focus areas including water efficiency and optimisation, identifying alternate water sources for water security, and creating freshwater potential beyond the fence. Since FY2023, we are a water positive company. - We introduced digitalisation and automation in FTO-7 Effluent Treatment Plant (ETP), resulting in improved ETP performance and reduced operational costs. We also upgraded the existing conventional biological reactor in ETP with membrane bioreactor (MBR) systems at two sites to enhance the treated water quality	Negative
15	Hazardous waste	Risk	Pharmaceutical waste, including chemicals used in manufacturing, expired drugs, and contaminated materials, can contaminate water sources, soil, and air, if not managed properly. This could lead to harmful effects on ecosystems and human health including drug resistance.	- We have waste management systems in place at all our facilities. Waste is directed to cement industries and recyclers for co processing and recycling, with approximately 2% being sent to landfill. - We have ongoing improvement programmes aimed at reducing hazardous and non-hazardous waste. To ensure effective tracking, we have established site-specific targets for hazardous waste reduction, and we are monitoring waste quantities across all manufacturing sites.	Negative

S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
16	Sustainable supply chain, responsible sourcing	Risk/ Opportunity	Sustainable supply chain management presents significant opportunities to enhance operational efficiency, reduce costs, improve product quality, and enhance brand reputation. By improving supply chain resilience, we can deliver better outcomes and service to our patients. Taking steps to source products and materials more sustainably and ethically helps us gain customer trust, improve supply chain resilience and risk management, and build stronger relationships with suppliers. Local procurement also helps promote local development and employment, and reduce costs.	- We utilise a broad base of suppliers to minimise risk arising from dependence on a single supplier. For each of our products, we continue to identify, upgrade, and develop alternate vendors as part of risk mitigation and continual improvement. We attempt to identify more than one supplier in each drug application or make plans for alternate vendor development from time to time, considering the supplier's history and future product requirements. - We are committed to building an ESG-compliant supplier base, using Dr. Reddy's Supplier ESG Framework to assess strategic supplier performance. We conduct third party audits of our suppliers based on specific ESG criteria, identify high-risk suppliers, and share a corrective action plan. - We work only with third parties that meet our ethical standards, meeting the criteria in our third party code of conduct across ESG dimensions including ethics, compliance, labour and human rights, safety etc. - We are in compliance to the ISO 20400:2017 – Sustainable Procurement Guidance, focusing on how to integrate sustainability within procurement, as described in ISO 26000. Purchase category heads are guided by our sustainable procurement manual and ensure that sustainable criteria are integrated into supplier selection processes. - We monitor and identify instances where there is a deviation from the standard procurement or supplier management processes. We evaluate the impact of the deviation on procurement operations, supplier relationships, regulatory compliance, and overall organisational objectives, and then formulate strategies to address and mitigate the impact of the deviation. This includes corrective actions to bring the process back on track, avoiding its recurrence, finding alternative suppliers, streamlining procurement strategies, emphasising procurement & corporate policies or implementing contingency plans. 71% of our input materials were sourced locally, from within India. 100% of our sourcing and procurement team across all locations have received training on sustainable procurement.	Negative/Postive



S. No	Material issue identified	Risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive Or negative Implications)
17	Community engagement	Opportunity	Contributing towards sustainable community development and addressing complex social problems helps us drive positive societal impact at scale	- Through our community-focusing projects, we focus on education, skilling & livelihood, healthcare, and environment, and align with the UN SDGs and Schedule VII of the Companies Act, 2013. - We have a board-level Corporate Social Responsibility (CSR) committee that is responsible for overseeing and implementing our CSR activities. This committee is constituted as per Section 135 of the Companies Act. - In FY2026, we invested ₹ 1,114.1 million on community-focused projects, positively impacting the lives of over ~1,127,996 people through our community projects - We take up periodic third-party impact assessment studies of our initiatives, evaluating the progress made across each programme to maximise the impact of our initiatives.	Positive

SECTION B

MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)					Yes				
b. Has the policy been approved by the Board? (Yes/No)					Yes (Note 1)				
c. Web Link of the Policies, if available					Note 2				
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes. The Company's Code of Business Conduct and Ethics (COBE) and/or other policies imbibes the above-mentioned principles and the Company expects its stakeholders to adhere to the same in all their dealings.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. The Company's Code of Business Conduct and Ethics (COBE) and/or other policies imbibes the above-mentioned principles and the Company expects its stakeholders to adhere to the same in all their dealings. The Company's Third-Party Code of Conduct (TPCOC) applies to all the partner in the value chain, which imbibes the above-mentioned principles and the company expects its stakeholders to adhere to the same in all their dealings								
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Principle 1: GRI Standards 2021, UN SDGs, SA8000, NGRBC Principle 2: GRI Standards 2021, UN SDGs, ISO 14001, cGMP, ISO 14044:2006 Principle 3: GRI Standards 2021, UN SDGs, ISO 45001, SA8000, UN Guiding Principles on Business and Human Rights, ILO Conventions and Codes of Practice, Universal Declaration of Human Rights Principle 4: GRI Standards 2021, UN SDGs Principle 5: GRI Standards 2021, UN SDGs, SA8000, UN Guiding Principles on Business and Human Rights, ILO Conventions and Codes of Practice, Universal Declaration of Human Rights Principle 6: GRI Standards 2021, UN SDGs, ISO 14001, ISO 45001, ISO 50001 Principle 7: GRI Standards 2021, UN SDGs Principle 8: GRI Standards 2021, UN SDGs, National Standards- CSR Rules prescribed by the Companies Act, 2013 Principle 9: GRI Standards 2021, UN SDGs, ISO 27001								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.					Note 3				
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.					Note 4				

Governance, leadership and oversight	
7. Statement by director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements	As we navigate a period marked by growing global health concerns and the pressing challenges posed by climate change, we remain steadfast in our commitment to embed sustainability deeply into our strategy and operations. Our focus is on delivering long-term value while upholding principles that benefit society and the environment. Our ESG priorities are centred around creating meaningful social impact for our patients and employees, lessen our ecological footprint and uphold responsible business practices that foster trust across our diverse stakeholder base. Guided by our aspiration to reach 1.5 billion patients by 2030, we are driving access to innovative, affordable medicines and working to reduce the global disease burden and improve health outcomes worldwide. We are also cultivating a workplace culture that embraces diversity, equity and wellbeing. In parallel, we are acting decisively to mitigate greenhouse gas emissions, shift towards renewable energy sources and enhance water stewardship throughout our value chain. Strong governance structures and clear policy frameworks are instrumental in turning our commitments into measurable actions. This report shares an honest view of our ESG achievements, ongoing challenges and the progress we are making towards a more sustainable and inclusive future. G V Prasad, Co-Chairman and Managing Director
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Sustainability Council of the Company Tel: +91-40-4900-2222 E-mail ID: shares@drreddys.com
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.	The Company has "Sustainability and CSR Committee" to act as nodal committee on overall sustainability goals and progress, amongst others. The detailed Charter of the said Committee including the terms of reference on sustainability matters are available on the website of the Company: https://www.drreddys.com/cms/cms/sites/default/files/static/SCSR-Committee-Charter-19052022.pdf. Further, from ESG perspective, the Science, Technology and Operations Committee also deals with the matter related to "E", the Nomination, Governance and Compensation Committee with "S" and the Risk Management Committee with "G". The respective Committees also update the Board regarding deliberation and reviews on such matters.

- Note 1:** The statutory policies are approved by the Board or Board Committees, as applicable. Other applicable policies are either approved by the Board or by the appropriate authority.
- Note 2:** Code of Business Conduct and Ethics: <https://www.drreddys.com/cms/sites/default/files/media-library/docs/cobe-booklet-v40.pdf>
Human Rights policy: <https://www.drreddys.com/cms/cms/sites/default/files/2023-09/Human%20rights%20policy.pdf>
Safety, Health, and Environment policy: <https://www.drreddys.com/cms/sites/default/files/2022-04/she-policy-document-24-07-2020.pdf>
Global Marketing Code: <https://www.drreddys.com/investor#governance>
Corporate Social Responsibility policy: <https://www.drreddys.com/cms/cms/sites/default/files/2025-05/CSR%20Policy.pdf>
Ombudsperson policy: <https://www.drreddys.com/cms/cms/sites/default/files/2021-12/Ombudsperson.pdf>
Our comprehensive policies are placed on the website at <https://www.drreddys.com/investor#governance#policies-and-documents>.
- Note 3:** We strengthened our commitment to sustainability and announced new environmental, social, and governance (ESG) goals for 2030 to make more meaningful impact through our sustainable development strategy.
- A. Being committed to environmental stewardship: Reducing carbon emissions**
- 100% renewable power by 2030;
 - Achieve Net Zero Greenhouse gas emissions across the value chain by FY 2045
 - 80% Absolute Reduction in Scope 1&2 Emissions by FY 2030 wrt FY 2023
 - 51.6% Emission Intensity reduction in Scope 3 Emissions by FY 2030 wrt FY 2023

- Water positivity**
- Water positive by 2025
 - Reduce ground water withdrawal by 30% by FY 2030 wrt FY 2025
- B. Making our products accessible and affordable for patients**
- Access:**
- Serve 1.5 billion patients by 2030
- Affordability:**
- 40% of our new launches to be first to market in our priority markets* by 2030
- Innovation:**
- 3 innovative solutions every year from 2027 to improve the standard of treatment
- C. Contributing to a fairer and more socially inclusive world**
- Equity, diversity and inclusion**
- 35% women in senior leadership by 2030;
 - Gender parity by 2035.
- 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 disclosure on our ESG progress to reach top quartile by 2025
- Suppliers**
- 100% of our strategic suppliers to be compliant with our internal ESG framework by 2030
- *Priority markets include U.S., Canada, EU5 (Germany, UK, Spain, France and Italy), India, Russia, China, and Brazil.

Note 4: Details on our ESG goals and progress are in building the future responsibly section on page 24 of the report.

10. Details of Review of NGRBCs by the Company

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

- 11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency**
- The processes and compliances are subject to scrutiny by internal auditors and the status of compliances are updated to the Board. From best practices as well as from a risk perspective, policies are periodically evaluated and updated by various department heads/business heads and approved by the management/the Board Committees/the Board. An internal assessment of the workings of the Business Responsibility 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

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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	% of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	8	Familiarisation/awareness programme for the Board of Directors/ KMPs of the Company is done periodically as part of Board process covering various areas pertaining to the business, strategy, risks, operations, regulations, code of business conduct and ethics, economy and environmental, social and governance parameters. In addition, frequent updates are shared with all the Board members/KMPs to apprise them of developments in the Company, key regulatory changes, risks, compliances and legal cases.	100
Key Managerial Personnel (KMP)			
Employees other than BoD and KMPs	20,859	The employees/workers of the Company undergo various training programmes throughout the year. Many trainings programmes followed a blended learning approach which entailed virtual classroom initiatives, along with dissemination of e-learning modules. Various trainings were undertaken during the year such as Prohibition of Insider Trading, Prevention of Sexual Harassment at the Workplace, Information and Cyber Security Awareness, Code of Conduct, Know Your Customer guidelines, and an ESG training as of employee induction. 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	80.1
Workers			75.9

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

Monetary

Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			Nil		
Settlement					
Compounding fee					

Non-Monetary

Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil	
Punishment				

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 relevant to 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 directly or indirectly and uphold the highest standards of integrity and transparency in all its interactions and business activities. The Anti-bribery and Anti-corruption policy is available on the intranet platform of the Company. The policy forms part of the COBE, applies to all members of the Board of Directors, full and part-time employees of the Company, its subsidiaries and affiliates. All business partners are also expected to adhere to the same ethical standards 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:

Particulars	FY 2025-26	FY 2024-25
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil



6. Details of complaints with regard to conflict of interest:

Particulars	FY 2025-26		FY 2024-25	
	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	Nil	Not applicable	2^	Not applicable

^Complaints received during FY 2025 have been closed in FY 2026. These complaints were not substantive in nature.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.
- Not applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Particulars	FY 2025-26	FY 2024-25
Number of days of accounts payables ¹	75	76

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

9. Open-ness of business

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

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases ²	a. Purchases from trading houses as % of total purchases	2.9	3.1 [#]
	b. Number of trading houses where purchases are made from	75	70 [#]
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	57.8	67.8 [#]
Concentration of Sales ¹	a. Sales to dealers / distributors as % of total sales	37.7	30.6
	b. Number of dealers / distributors to whom sales are made	6673	6178
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	14.2	15.8
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.55	0.71
	b. Sales (Sales to related parties / Total Sales)	0.002	0.002
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

1 As per Ind AS standalone financial statements

2. On Standalone basis

Calculated inline with FY 2026 approach and accordingly revised FY 2025 numbers

Leadership Indicators

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

S. No.	Total number of awareness programmes held	Topics/principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	426	Defensive Driving training & road safety awareness	99.9
2	4	ESG Capability Building for Strategic Suppliers	100
3	8	ESG Capability Building programme during supplier summits	17

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

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

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

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	100	100	R&D expenditure in various technologies is focused on improving the social impacts of our products/processes
Capex	2.0	2.0	Reduction in usage of energy. Reduction of freshwater footprint in facilities by implementing water efficiency improvement/operational excellence projects, and technology interventions in wastewater treatment plant. Safety of employees and stakeholders. Facilities for using alternate fuels.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
- Yes, the Company has procedures in place for sustainable and responsible sourcing.
- b. If yes, what percentage of inputs were sourced sustainably?
- 100% of our inputs are sourced from suppliers who abide by our Third Party Code of Conduct. Our Third Party Code of Conduct has a clear policy on sustainability requirements.



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.

(a) Plastics (including packaging)	The Company has waste management systems in place at all its facilities, built on the principles of prevention, recovery, and responsible disposal.
(b) E-waste	Plastic waste is either recycled or co-processed based on the type of waste generated. E-waste is routed through authorised disposal channels. Non-hazardous waste, including glass, metal scrap, wood waste, construction & demolition waste ,general waste and boiler ash etc. is channelled to authorised recyclers, brick manufacturers, and cement plants.Approximately 98% of global waste generated is diverted to recycle/reuse/other recovery and the remaining 2% is sent to landfill.
(c) Hazardous waste	
(d) Other waste	We also monitor the waste management in further value chain wherein all our expired products are incinerated at authorised destruction vendor.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, we work in compliance with India’s Plastic Waste Management Rules, 2016 (subsequent abatements) and the Extended Producer Responsibility (EPR) guidelines. Our waste collection plan is in line with the EPR plan submitted to Pollution Control Board (PCB). During the year FY2026, we have collected 2,642 tonnes of waste and disposed off in environment-friendly manner as per the EPR requirements.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details.

Yes, we have completed LCA of eight of our products; 5 Active Pharmaceutical Ingredient (API) and 3 formulations products during the year FY 2026.

S. No.	NIC Code	Name of Product/ Service	%age of total turnover contribute	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	If yes, provide the web-link
1	21009	Belumosudil	2.7%	Cradle to gate	Yes	Yes	https://www.drreddys.com/cms/sites/default/files/2026-06/PwCxDRL_Consolidated_LCA%20Report_8_Products_Web_upload.pdf
2	21009	Valsartan/Sacubitril		Cradle to gate	Yes	Yes	
3	21009	Ramipril		Cradle to gate	Yes	Yes	
4	21009	Pregabalin		Cradle to gate	Yes	Yes	
5	21009	Omeprazole USP		Cradle to gate	Yes	Yes	
6	21009	Omeprazole-40 mg		Cradle to gate	Yes	Yes	
7	21009	Metoprolol		Cradle to gate	Yes	Yes	
8	21009	Atorvastatin		Cradle to gate	Yes	Yes	

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

Action taken to mitigate significant social or environmental concerns and/or risks arising from production or disposal of products/services		
Name of the product/service	Description of the risk/concern	Action taken
There were no significant social or environmental concerns raised from the LCA analysis of our eight products; 5 APIs and 3 formulations.		

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. However, in some of our operations, we recover the spent solvent through solvent recovery system and reuse the same in our operations.

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

	FY 2025-26			FY 2024-25		
	Re-used	Recycled	Safety disposed	Re-used	Recycled	Safety disposed
Plastics (including packaging)	0	0	0	0	0	0
E-waste	0	0	0	0	0	0
Hazardous waste- Expired Product	0	0	825 tonnes	0	0	813 tonnes
Other waste	Cold boxes- 76,885 units	0	0	Cold boxes- 10,105 units	0	0

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

S. No.	Indicate product category	Reclaimed products and their packaging materials as %age of total products sold in respective category
1	Cold boxes	92% of these boxes are reused at CFA or stockist level



PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total	Health insurance		Accident insurance		Maternity Benefit		Paternity Benefit		Day Care Facilities	
		No.	%	No.	%	No.	%	No.	%	No.	%
Permanent Employees											
Male	21,789	19,067	87.5	19,597	89.9	-	0	21,789	100	21,789	100
Female	5,735	2,957	51.6	3,303	57.6	5,735	100	-	0	5,735	100
Other	3	3	100	3	100	-	-	-	-	3	100
Total	27,527	22,027	80.0	22,903	83.2	5,735	20.8	21,789	79.1	27,527	100
Other than Permanent Employees											
Male	6,169	30	0.48	30	0.48	-	0	205	3.32	205	3.32
Female	3,027	70	2.3	70	2.3	25	0.83	-	0	25	0.83
Other	3	3	100	3	100	-	-	-	-	3	100
Total	9,199	103	1.1	103	1.1	25	0.27	205	2.23	233	2.53

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total	Health insurance		Accident insurance		Maternity Benefit		Paternity Benefit		Day Care Facilities	
		No.	%	No.	%	No.	%	No.	%	No.	%
Permanent Workers											
Male	542	411	75.8	415	76.6	-	0	542	100	542	100
Female	22	18	81.8	18	81.8	22	100	-	0	22	100
Other	0	0	0	-	-	-	-	-	-	-	-
Total	564	429	76.1	433	76.8	22	3.90	542	96.10	564	100
Other than Permanent Workers*											
Male	4,246	-	-	-	-	-	-	-	-	-	-
Female	951	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total	5,197	-	-	-	-	-	-	-	-	-	-

* The Company follows a decentralized approach for the assessment and reporting of well-being metrics pertaining to 'Other than Permanent Workers'. Such information is maintained and managed by the respective vendors in their own records.

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

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company*	1.98%	1.70%

*Based on standalone basis

2. Details of retirement benefits, for Current FY and Previous FY

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	NA	100	100	NA
ESI	1.8	0	Yes	2.0	0	Yes
Others – Superannuation	2.9	NA	Yes	3.0	NA	Yes

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

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

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

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

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

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	91.4%	89.9%	Nil	Nil
Female	93.5%	92.8%	Nil	Nil
Other	-	-	-	-
Total	91.9%	90.5%	-	-



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 or any applicable laws and regulations. The Audit Committee Chairperson is the Chief Ombudsperson. Concerns raised to the Company and their resolution are reported through the Chief Ombudsperson to the Audit Committee and where applicable, to the Board. The policy provides avenues to report concerns directly to the Compliance Team. Refer link of the policy and reporting channels separately mentioned below. Ombudsperson Policy Link: https://www.drreddys.com/cms/cms/sites/default/files/2021-12/Ombudsperson.pdf Ombudsperson reporting channel website link: https://drreddys.ethicspoint.com/
Other than permanent workers	Yes	
Permanent employees	Yes	
Other than permanent employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognised by the Company:

Category	FY 2025-26			FY 2024-25		
	Total employees/ workers in respective category	No. of employees/ workers in respective category, who are part of association(s) or union	%	Total employees/ workers in respective category	No. of employees/ workers in respective category, who are part of association(s) or union	%
Total permanent employees	27,527	0	0	26,944	0	0
Male	21,789	0	0	21,298	0	0
Female	5,735	0	0	5,642	0	0
Other	3	0	0	4	0	0
Total permanent workers	564	432	76.6	573	434	75.7
Male	542	414	76.4	552	416	75.4
Female	22	18	81.8	21	18	85.7
Other	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total	On health and safety measures		On skill upgradation		Total	On health and safety measures		On skill upgradation	
		Nos.	%	Nos.	%		Nos.	%	Nos.	%
Employees										
Male	21,789	17,145	78.6	21,270	97.6	21,298	9,850	46.3	20,522	96.4
Female	5,735	2,790	48.6	5,512	96.1	5,642	2,308	40.9	5,358	94.9
Other	3	3	100	3	100	4	4	100	4	100
Total	27,527	19,938	72.4	26,785	97.30	26,944	12,162	45.1	25,884	96.1
Workers										
Male	542	335	61.8	404	74.5	552	284	51.5	356	64.5
Female	22	1	4.5	22	100	21	18	85.7	18	85.7
Other	0	0	0	0	0	0	0	0	0	0
Total	564	336	59.6	426	75.5	573	302	52.7	374	65.3

Note - The above table doesn't contain the trainings provided to contract workmen. For Contract workmen trainings are imparted at three levels:

1. general safety training
2. job-specific training
3. daily safety briefing before start of the particular task 100% contract workmen undergo safety training.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26			FY 2024-25		
	Total	Nos.	%	Total	Nos.	%
Employees						
Male	21,789	20,993	96.3	21,298	19,853	93.2
Female	5,735	5,612	97.8	5,642	5,040	89.3
Other	3	3	100	4	4	100
Total	27,527	26,608	96.7	26,944	24,897	92.4
Workers						
Male	542	536	98.9	552	540	97.9
Female	22	22	100	21	21	100
Other	0	0	0	0	0	0
Total	564	558	98.9	573	561	97.9

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. All our Indian manufacturing facilities are certified under ISO 45001. Our internal OHS management system covers 100% of our entity which includes both regular employees and contractors.

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

We have developed a guidance document which provides the course on how to identify, evaluate safety, health & environment risks and reduce them to an acceptable level by strengthening existing control and or incorporating additional controls for all the activities within premises of the organisation. The guidelines clearly outlines the processes, roles and responsibilities. We have implemented various tools like JSA, HIRA, Process Hazard Analysis, HAZOP to identify work-related hazards and assess risk of routine and non-routine activities

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

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

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

Yes, Employees have access to non-occupational medical and healthcare services via the medical insurance. Our wellness programme, My Health Index (MHI), has expanded from 2 sites in FY 2019 to 16 sites in FY 2026 and is targeted to be implemented across all our units by 2030. MHI uses digital platforms for tracking health indicators and encourages voluntary participation via newsletters, wellness activities, and targeted sessions on issues like stress, anger management, and lifestyle coaching.



11. Details of safety related incidents, in the following format

Safety Incident/Number	Category	FY 2025-26	FY2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.16	0.03
	Workers*	0.08	0.12
Total recordable work-related injuries	Employees	19	21
	Workers*	14	20
No. of fatalities	Employees	0	0
	Workers*	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers*	0	0

* Workers means other than permanent workers

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

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

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

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year

% of value chain partners (by value of business done with such partners) that were assessed	
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, it extends to 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 are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	0	0	0	0

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

5. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
Health and safety practices	The Company conducts periodic supplier risk assessments through an independent third party to strengthen its understanding of value chain risk exposure. In the last three years, 26% of global value chain partners have been assessed on multiple ESG parameters.
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

We have shared corrective action reports post assessment to our strategic suppliers and we are in the process of reviewing their performance.



PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

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

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

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Employees	No	We use digital as well as physical channels of communication including but not limited to e-mails, newsletters, intranet, townhalls and leadership touchpoints, pulse surveys for employee feedback and redressal, and appraisal and training programmes for personal and professional growth.	Daily	Through multiple physical and digital channels of communication, we aim to provide our employees a safe, inclusive and empowering workplace that encourages transparent engagement and the freedom to act, innovate and grow as professionals and individuals. Our ongoing effort is to maintain two-way engagement with colleagues globally including those in corporate offices, R&D laboratories, manufacturing locations and in the field. Our engagement ranges from discussing the Company's strategy, growth opportunities, operational execution, industry developments, employee performance and career growth opportunities, capability building, recognition and celebrations.
2	Investors	No	We interact with our shareholders, potential investors and research analysts through investor meetings/calls, conferences, earnings call, investor events, e-mail, press releases, stock exchange intimations, investor presentations and annual reports. We also provide various updates on our website and other places of engagement.	Frequent and need-based	We engage with investors to update on the business and financial performance, 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.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
3	Patients	Yes, depending on various factors such as health, income, access and others	We engage with patients through multiple assistance programs (Financial assistance, Lifestyle support, Education, counselling), Disease management and awareness initiatives. We also use different marketing channels (print, digital, social media) to inform patients about our OTC products. Customer services support are also provided to report any feedback/adverse effects from our products.	Frequent and need-based	Patient-centricity is the core tenet of our strategy. Through our customer assistance and outreach programmes, we educate, provide support, awareness, and increase adherence to improve the health of our patients. Being closer to the patient also allows us to identify and address the unmet patient needs and develop better products/ services for the patients. We address patient-related queries/feedback and any drug-related concerns. We also create awareness and breaking various myths on managing various diseases or medical treatments.
4	Health Care Professionals	No	We use physical and digital channels such as e-mail, webinar/conferences, electronic updates, portals as well as in person visits and collaterals.	Frequent and need-based	Our engagement aims to update healthcare professionals on products, innovations, access, availability of our medicines and healthcare solutions. Engagement also includes discussion on therapy advances, science of medicines and patient needs.
5	Customers	No	Physical and virtual meetings, customer events, calls, e-mail, website	Daily	We engage with our customers to ensure regular supply of the products, keep them informed about new products, participate in the bids/tenders, maximise the outreach of our products and to assess customer satisfaction.
6	Suppliers & Partners	No	On-site meetings, virtual meeting, business partner's meet, supplier forums, partner events, calls, e-mail, satisfaction survey, website	Frequent/Quarterly Governance calls/ Annual meet	Making a holistic impact on the health of patients worldwide requires us to work with partners across the healthcare value chain. We emphasise fair, transparent, and ethical practices and seek partners who share the same commitment towards compliance with laws, regulations, published standards and environmental practices. Our supplier engagement includes capability building programmes, audit CAPA governance and tracking, business partner meets and includes discussions on our ESG goals, efficiency in manufacturing, stronger quality management practices, human rights policies and standards, and working together to advance our sustainability agenda.