Sun Pharmaceutical Industries Limited
Sustainability Report **2024-2025**

SUN
PHARMA

# Translating Sustainability Commitments into Action

## Reaching People. Touching Lives.

# Table of Contents

# About the Report

Sun Pharmaceutical Industries Limited[1] (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) — hereafter 'Sun Pharma' (including its subsidiaries and associate companies) and headquartered in Mumbai, India is pleased to present its Sustainability Report for FY25[2]. The Report details our Environment, Social and Governance (ESG) performance for the period April 1, 2024, to March 31, 2025. The Report is intended to provide stakeholders a clear and comprehensive view of Sun Pharma's sustainability vision, strategy, and performance across key ESG areas.

## Reporting Frameworks and Benchmarks

This Report has been prepared in reference to the GRI Standards 2021 and in alignment with the UN Global Compact principles, the UN Sustainable Development Goals, the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, and the National Guidelines on Responsible Business Conduct (NGRBC) concerning the Company's economic, social, and environmental responsibilities. We also participate in global ESG assessments, including S&P Global Corporate Sustainability Assessment and CDP's climate change and water disclosures (formerly the Carbon Disclosure Project), among others. Where estimates are used, we have disclosed the underlying assumptions and methodologies. All our Sustainability Reports are available on our corporate website.

## Scope and Reporting Boundary

The reporting boundary covers 79% of Sun Pharma's national and international operating sites, comprising 38 manufacturing sites and R&D centres.[3] For FY25, we also published the Business Responsibility and Sustainability Report (BRSR) as required by the Securities and Exchange Board of India (SEBI). The BRSR's scope is limited to all manufacturing and R&D locations of the standalone entity, SPIL. Due to differences in the reporting boundaries, the environmental, financial, and social data presented in the two Reports are not directly comparable.

## External Assurance

DNV Business Assurance India Private Limited (DNV) provided external assurance for the Sustainability Report for FY25.[4]

## Feedback

We welcome stakeholder feedback on our sustainability disclosures. Kindly submit your comments, suggestions, or queries to: Secretarial@sunpharma.com

[1]GRI 2-1 | [2]GRI 2-3 | [3]GRI 2-2 | [4]GRI 2-5 | [5]GRI 2-3

# Translating Sustainability Commitment into Actions

# Translating Sustainability Commitment into Actions

At Sun Pharma, sustainability is more than a pledge — it is a continuous journey of purposeful action. We are committed to transforming our environmental and social responsibilities into tangible, measurable outcomes that create enduring value for our stakeholders and the planet.

Our sustainability strategy is deeply integrated into our business operations, guided by globally recognised frameworks. This alignment ensures that our efforts are not only aspirational but also actionable. We are dedicated to combating climate change and reducing environmental impacts by aiming to achieve Net Zero emission status by 2050. From improving energy efficiency and increasing the share of renewable energy to strengthening water conservation initiatives and advancing sustainable waste management, we are committed to reducing our environmental footprint.

We are equally committed to fostering an inclusive and equitable workplace. Our long-term vision includes achieving 30% representation of women in our workforce by 2040. Our robust Environment, Health & Safety (EHS) and Human Resources (HR) policies are designed to safeguard employee well-being and promote a culture of care and accountability.

Beyond our operations, we continue to make a meaningful difference in the communities we serve. Through our Corporate Social Responsibility (CSR) programmes, we address critical needs in healthcare, education, water and sanitation, rural development, and environmental conservation — translating our values into impactful community development.

Our progress is reflected in our inclusion in the top 5% of pharmaceutical companies globally in the S&P Global Sustainability Yearbook — a testament to our unwavering focus on responsible business practices. We remain aligned with the Task Force on Climate-related Financial Disclosures (TCFD) and are signatories of the United Nations Global Compact (UNGC), upholding its principles across human rights, labour, environment, and anti-corruption.

Strong governance underpins our sustainability agenda. By embedding Environmental, Social, and Governance (ESG) principles into our decision-making processes, we ensure transparency, accountability, and ethical conduct across all levels of the organisation.

At Sun Pharma, we are not just setting sustainability goals — we deliver on them. Through deliberate, strategic action, we are turning our commitments into real-world impact, shaping a healthier, more sustainable future for all.

# ESG Performance Highlights for FY25

I  II  III  IV  V  VI  VII  VIII  IX

# Environment

## 21%
Reduction in absolute Scope 1 and Scope 2 carbon emissions compared to baseline year 2020

## 48%
Decrease in specific intensity for Scope 1 and Scope 2 carbon emissions compared to the baseline year 2020

## 25%
Reduction in absolute water consumption compared to the baseline year 2020

## 51%
Decrease in specific intensity for water consumption compared to the baseline year 2020

## 41%
Energy sourced from renewable sources

# ESG Performance Highlights for FY25

# Social

## ₹1,424 Mn

CSR spend

## 1 Mn+

Lives touched in India through CSR initiatives



# Governance



## 92.9%

Average Board meeting attendance

## 62.5%

Independent Board Directors[5]

[5]As of March 31, 2025.

# Message from the Executive Chairman[6]

**Dear Stakeholders,**

We continue to focus on our commitment towards ESG principles through a comprehensive ESG framework to deliver sustainable outcomes for all our stakeholders. I am happy to share with you that Sun Pharma has been recognised among the Top 5% of pharmaceutical companies globally in the S&P Global Sustainability Yearbook, reaffirming our commitment to corporate sustainability. This recognition reflects our progress and dedication to responsible business practices.

## Environmental Responsibility

Our commitment to environmental stewardship and climate action is unwavering. We are taking strategic steps to reduce our impact, embrace sustainable solutions, and create a healthier and resilient world. We are shaping a future where growth and responsibility go hand in hand.

We made significant strides in FY25 toward reducing our carbon footprint and conserving natural resources. We achieved a 21% reduction in absolute Scope 1 and Scope 2 emissions compared to our 2020 baseline and remain on track to meet our 2030 target of 35% reduction. Our Scope 1 and Scope 2 emission intensity as percentage of revenue has reduced by 48% in the same period. Significant investments are being made to increase the share of renewable energy in our overall energy mix with focus on solar and wind energy as well as use of renewable fuels such as biomass. Renewable energy accounted for ~41% of our total energy mix for the reporting year. We have implemented a host of energy efficiency measures to reduce energy consumption. Together, all these measures reinforce our journey toward becoming Net Zero by 2050. Water stewardship remains a priority, and we surpassed our 2025 target ahead of schedule, achieving a 25%

reduction in water consumption to date. Our water consumption intensity as percentage of revenue has reduced by 51% compared to our 2020 baseline. We continue to work towards becoming water positive by 2030, supported by multiple conservation initiatives.

## Driving Social Impact

Our social responsibility efforts have created a meaningful impact on communities. In FY25, we invested ₹1,424 Million in CSR initiatives, positively impacting about 4.47 million lives across 1,000+ habitations in India. These initiatives spanned healthcare, education, water and sanitation, environmental conservation, and disaster relief. Improving access to healthcare remains a core focus, supported by patient assistance programmes, reimbursement support, and mobile healthcare units that provide free medicines and medical services to underserved communities.

[6]GRI 2-22

# Message from the Executive Chairman

## Inclusive Growth and Workplace Safety

Our global workforce is one of the cornerstones of our growth and progress and hence nurturing and retaining a highly diverse workforce is a key focus area for us. We invest significant resources for employee development, empowerment, and recognition, creating an engaging work culture that enables our people to reach their full potential. We continue to foster a diverse and inclusive workplace, with women representing 18.59% of our workforce in FY25. We have set a goal to achieve 30% female representation globally by 2040. Our approach goes beyond numbers—we foster an environment built on equal opportunity, fairness, and meritocracy. By championing inclusivity and eliminating discrimination, we aim to create a workplace where every individual can thrive and contribute to our shared success.

Workforce safety and well-being remain top priorities, supported by our comprehensive Environment, Health, and Safety (EHS) Policy, ISO 45001:2018-certified sites and robust health and safety programs. We adopt a comprehensive approach to workforce safety, combining rigorous health and safety training across all locations with initiatives that foster a culture of awareness, accountability and zero harm. Our goal is to empower every individual to act responsibly, ensuring a safe and secure workplace for all.

## Improving Access to Quality Healthcare

At Sun Pharma, we provide quality healthcare access to all by delivering high-quality medicines across a broad portfolio of products. With a global footprint spanning six continents and operations in nearly 100 countries, we strive to cater to unmet medical needs. Beyond business, our commitment extends to communities, through mobile healthcare units that provide free medicines and essential services to rural populations near our facilities. Our patient assistance, reimbursement support and cost saving programmes are targeted at making our products more affordable to patients. For us, improving access isn't just a goal it's a responsibility.

We also invested ₹32.48 billion (~6.2% of sales) in R&D, underscoring our commitment to development of innovative and quality medicines. Our R&D initiatives focus on both in-house research as well as external collaboration and in-licensing to support access to latest therapies for patients worldwide. By combining internal expertise with strategic alliances, we aim to address unmet medical needs and shape a future where healthcare is more inclusive, accessible, and transformative for all.

## Building Trust Through Product Quality and Safety

As a global pharmaceutical organisation, we remain steadfast in our commitment to deliver high-quality and safe medications to patients and healthcare providers worldwide. From product design to final delivery, safety and quality are deeply integrated into every aspect of our operations. Our extensive manufacturing network spans multiple countries and includes facilities approved by leading international regulatory authorities such as USFDA, EMA, MHRA, PMDA, WHO and others. We uphold stringent review processes and robust quality checks to ensure regulatory compliance and maintain the highest standards of excellence, supported by a comprehensive Quality Management System (QMS).

Beyond our internal practices, we extend these principles across our supply chain through strong governance frameworks, best practices, and rigorous control mechanisms. This includes adherence to our Global Code of Conduct, Supplier Code of Conduct, and regular quality audits, ensuring that quality and safety remain uncompromised at every stage.

## Corporate Governance

Ethical business practices form the cornerstone of our approach to creating sustainable and long-term value for all stakeholders. We believe that accountability and transparency are critical for building trust and enabling responsible decision-making across the organisation. The Corporate Governance & ESG Committee a sub-committee of the Board, provides strategic oversight of all ESG priorities, supported by a dedicated ESG Council that ensures alignment and execution. Our overall corporate governance mechanism includes various Board instituted specialised committees with clearly defined mandates to drive effective implementation of corporate policies as well as governance across key areas of our business.

## Paving the Way Forward

Our ESG strategy is driven by a strong commitment to continuous improvement and the ability to balance diverse stakeholder expectations. We recognise our responsibility to safeguard the planet's future, which calls for greater emphasis on climate resilience and responsible business practices. We remain steadfast in embedding ESG practices into our overall business strategy.

Through proactive engagement, we listen to and incorporate stakeholder perspectives into our initiatives. I extend my sincere gratitude to all our stakeholders for their unwavering support in our ESG journey. We remain open to feedback and collaboration as we advance toward our shared sustainability goals

**Dilip Shanghvi**
Executive Chairman
Sun Pharmaceutical Industries Limited

## About Sun Pharma

# Healthy People, Healthy Planet

Sun Pharma is a leading global specialty generics pharmaceutical company with revenues exceeding $ 6.2 billion. With presence in approximately 100 countries, we are committed to addressing unmet medical needs through high-quality, accessible, and innovative healthcare solutions.

Our diverse product portfolio spans chronic and acute therapies, including specialty products, generics, branded generics, complex and technology-intensive formulations, over-the-counter (OTC) medications, antiretrovirals (ARVs), active pharmaceutical ingredients (APIs), and intermediates.

Innovation is at the heart of our operations. Backed by strong R&D capabilities, we continuously strive to enhance patient outcomes and improve healthcare accessibility worldwide. Our patient-centric approach drives us to not only deliver therapeutic value but also contribute meaningfully to a healthier, more sustainable world.

# About Sun Pharma

## Our Vision

Our business operations and long-term value creation strategy are driven by our vision

**"Reaching people and touching lives globally as a leading provider of valued medicines."**

## Sunology

At Sun Pharma, we place strong emphasis on creating the right culture to generate positive impact through four foundational components constituting 'Sunology' - our way of life.

Humility

Passion

Integrity

Innovation

## Critical Components

**Balancing Profitability and Investments for the Future**

**Sustainable Growth**

Growth Drivers

**Geographical Reach**

**Research & Development and Manufacturing**

### Growth Strategy

As a leading pharmaceutical company, we are committed to long-term growth and stakeholder value creation. Since our inception, we have invested in four growth drivers and prioritised four critical levers to ensure sustainable execution of our strategy.

**Product Portfolio**

**Human Resource**

**Cost Leadership**

**Enhancing Business Development**

## Our Company[7]

# Driving Health Outcomes

We are dedicated to developing high-quality, innovative pharmaceutical products that reinforce healthcare systems and improve patient outcomes around the world.

# 51,000+
Employees worldwide
(including executives on contract)

# 40+
Manufacturing facilities across six continents

# Mumbai
Headquarters

# ~100 countries
Market Presence

[7]GRI 2-1 & GRI 2-6

# Global Presence

## Specialty Business

**~20%**
FY25 sales

**26**
Innovative products in our portfolio

**6**
Total molecules in clinical trials and registration stages

**3 Focus areas**
Dermatology, Ophthalmology, Onco-dermatology

## USA

**₹162,403 Mn**
FY25 sales

**12th-ranked**
in the US generics market (As per IQVIA data)

**542 & 57**
ANDAs & NDAs approved

**Ranked 2nd**
by prescriptions in the US dermatology market (As per IQVIA data)

## India

**₹169,230 Mn**
FY25 sales

**Largest Pharma**
Company in the Indian pharmaceutical market, with an 8.3% market share (As per AIOCD AWACS data for 12 months ended Mar'25)

**Market leader**
in the chronic segment and strong positioning in the acute segment

**No. 1 Ranked**
across 13 classes of prescribers as per SMSRC data

## Emerging Markets

**₹94,160 Mn**
FY25 sales

**~80**
Countries market presence

**Leading Indian**
pharmaceutical company in emerging markets

**Focus markets:**
Romania, Russia, South Africa, Brazil, Mexico

## Rest of the World (RoW) Markets

**₹71,626 Mn**
FY25 sales

**Presence**
across Western Europe, Canada, Australia, New Zealand, Japan, Israel and others Specialty, Hospital and Retail offerings

## Active Pharmaceutical Ingredients (API) Business

**₹21,292 Mn**
FY25 sales

**~400 APIs**
Product portfolio & 401 DMF/CEP approvals to date

**14 API**
Manufacturing facilities

## Global Consumer Business

**Top 10**
Amongst the consumer healthcare companies in India, Romania, Nigeria and Myanmar

**25+**
countries market presence

**~500,000**
Pharmacy and retail outlets in India where Sun Pharma's consumer products are available

# Financial Performance[8]

I II III IV V VI VII VIII IX

# Augmenting Sustainable Growth

We continuously strengthen our core capabilities to serve communities worldwide with value-added products that support lasting health outcomes. To create long-term value for shareholders and stakeholders, we are focused on optimising efficiency, cash flow, and cost structure as we expand our global business.[8]

## Revenues
### ₹ 854,629 Mn

| | |
|---|---|
| FY25 | 545,435 |
| FY24 | 498,510 |
| FY23 | 445,202 |
| FY22 | 395,760 |

## Operating Cost
### ₹ 273,336 Mn

| | |
|---|---|
| FY25 | 273,336 |
| FY24 | 260,447 |
| FY23 | 239,429 |
| FY22 | 209,559 |

## Employee Wages and Benefits
### ₹ 99,731 Mn

| | |
|---|---|
| FY25 | 99,731 |
| FY24 | 94,291 |
| FY23 | 82,960 |
| FY22 | 73,008 |

## Payment to Providers of Capital
### ₹ 38,487 Mn

| | |
|---|---|
| FY25 | 38,487 |
| FY24 | 31,392 |
| FY23 | 26,917 |
| FY22 | 22,965 |

## Profit for the Year
### ₹ 109,290 Mn

| | |
|---|---|
| FY25 | 109,290 |
| FY24 | 95,764 |
| FY23 | 84,763 |
| FY22 | 37,272 |

## Net Debt-to-Equity Ratio
### (0.38)x

| | |
|---|---|
| FY25 | (0.38) |
| FY24 | (0.35) |
| FY23 | (0.25) |
| FY22 | (0.35) |

[8]GRI 201-1

# Financial Performance

## Total Assets

### ₹ 921,006 Mn

| | |
|---|---|
| FY25 | 921,006 |
| FY24 | 854,997 |
| FY23 | 807,436 |
| FY22 | 698,078 |

## Total Investments

### ₹ 52,629 Mn

| | |
|---|---|
| FY25 | 52,629 |
| FY24 | 52,443 |
| FY23 | 43,113 |
| FY22 | 36,185 |

## Dividend Yield

### 0.92 %

| | |
|---|---|
| FY25 | 0.92 |
| FY24 | 0.83 |
| FY23 | 1.17 |
| FY22 | 1.09 |

## Economic Value Distributed

### ₹ 446,179 Mn

| | |
|---|---|
| FY25 | 446,179 |
| FY24 | 407,186 |
| FY23 | 368,851 |
| FY22 | 309,535 |

## Economic Value Retained

### ₹ 99,256 Mn

| | |
|---|---|
| FY25 | 99,256 |
| FY24 | 91,324 |
| FY23 | 76,351 |
| FY22 | 86,225 |

## Community Investments

### ₹ 1,424 Mn

| | |
|---|---|
| FY25 | 1,424 |
| FY24 | 1,164 |
| FY23 | 852 |
| FY22 | 458 |

## Market Capitalisation

### ₹ 4,162,066 Mn

| | |
|---|---|
| FY25 | 4,162,066 |
| FY24 | 3,888,186 |
| FY23 | 2,358,752 |
| FY22 | 2,194,880 |

## Payment to Governments

### ₹ 33,201 Mn

| | |
|---|---|
| FY25 | 33,201 |
| FY24 | 19,893 |
| FY23 | 18,692 |
| FY22 | 3,544 |
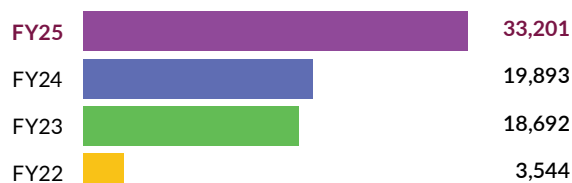
# Our ESG Strategy

# Sustainable Strategy for Sustainable Future

At Sun Pharma, our ESG strategy is deeply aligned with our core values, which serve as the foundation of our culture and guide every action and decision we make. Rooted in principles such as quality, reliability, trust, consistency, and innovation, our strategy reflects our commitment to upholding the highest ethical standards while driving meaningful advancements that positively impact society and the environment.

We integrate environmental, social, and governance considerations into our business approach, focusing on reducing our environmental footprint through initiatives like renewable energy adoption, water conservation, and sustainable waste management. Simultaneously, we prioritise the well-being and development of our workforce, uphold human rights, ensure product quality and safety, and foster strong corporate governance based on transparency and accountability. Our ESG ambitions are further strengthened by alignment with relevant United Nations Sustainable Development Goals, reinforcing our dedication to creating lasting value for our stakeholders and contributing to a sustainable future.

## Our Values

### Quality
We prioritise delivering high-quality medicines and healthcare solutions that meet the needs of patients and healthcare providers globally.

### Reliability
We strive to be a trusted partner by consistently delivering on our commitments and maintaining a reliable supply of medicines.

### Trust
We value the trust placed in us by our stakeholders and work diligently to uphold it through transparency, accountability, and responsible business practices.

### Consistency
We maintain consistency in our operations, ensuring that our actions align with our stated goals and commitments.

### Innovation
We foster a culture of innovation to drive advancements in addressing unmet medical needs and improving health outcomes.

# Environment

## Focus Areas

### Environmental Management

We are committed to minimise our environmental footprint through reducing energy consumption, increasing water efficiency, and ensuring effective waste and emissions management.

## Sustainability Enablers

- Increasing the use of renewable energy
- Implementing energy efficiency initiatives to optimise our energy consumption
- Reducing groundwater dependency
- Implementing the reduce, reuse, recycle, and recharge the 4R-based water conservation practices.
- Adopting digitalisation and eco-efficient processes
- Diverting hazardous waste to co-processing.

## ESG Targets

### Carbon Emission Reduction
Aiming for a 35% reduction in Scope 1 and 2 absolute carbon emissions by 2030.

### Responsible Water Management
Targeting a 10% reduction in water consumption by 2025

### Sustainable Waste Management
Aiming to co-process 30% of hazardous waste by 2025

### Promoting Responsible Resource Consumption
Focusing on enhancing eco-friendly practices across our business

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND

# Our ESG Strategy

I II III IV V VI VII VIII IX

## Social

### Focus Areas

**Employee Well-being**

We prioritise the well-being and growth of our employees by offering dedicated learning and development initiatives, maintaining robust health and safety management systems, and adopting policies that promote work-life balance.

**Societal Development**

We contribute to the empowerment of our communities through CSR programmes, with a focus on health, education, water & sanitation, environmental conservation and rural development

### Sustainability Enablers

- We focus on workforce development through tailored learning programmes for skill enhancement.
- We ensure workforce well-being through robust health and safety systems and by upholding human rights along with all applicable regulations.
- Our Supplier Code of Conduct encourages our suppliers to comply with our values and policies.

### ESG Targets

**Promoting Gender Diversity**

Target 30% women representation in the workforce by 2040

**Empowering Global Employees**

Implementing focused training and learning programmes for employees

**Upholding Health and Safety Standards**

Leveraging industry-best practices to ensure the highest level of safety for all our employees

**Ensuring Human Rights Compliance**

Commitment to zero tolerance for non-compliance

**Enhancing Access to Healthcare**

Focus on developing innovative products to address unmet patient needs practices to ensure the highest level of safety for all our employees.

## Governance

### Focus Areas

**Corporate Governance**

We promote robust corporate governance practices that align with global standards, ensuring transparency, accountability and integrity across our operations.

**Innovation and Technology**

We leverage innovative approaches and technology to advance research & development, manufacturing, and patient care.

**Product Quality and Safety**

We prioritise responsible product stewardship by ensuring the safety, efficacy, and quality of the products throughout their lifecycle, from research and development to post-marketing surveillance.

### Sustainability Enablers

- Our Board comprises six core committees, including those focusing on sustainability and business responsibility
- Our Global Code of Conduct mandates ethical practices across our operations and value chain
- We adhere to the board diversity policy and periodically assess Board performance to promote accountability and transparency
- We deploy a robust Quality Management System (QMS) to ensure product quality and patient safety

### ESG Targets

**Committed to Regulatory and ESG Compliance**

Upholding stringent standards

**Integrating ESG Parameters**

Promoting sustainability across our operations and our value chain

# Corporate Governance

## Corporate Governance

# Driven by Integrity and Commitment

Aligned with our core values, our approach to corporate governance and business ethics is characterised by quality, reliability, trust, consistency, and transparency. We are dedicated to maintaining the highest standards of ethical business practices, which strengthens our efforts to create and provide shared value for all stakeholders. This approach significantly enhances transparent and accountable communication with stakeholders, promoting responsible and sustainable decision-making.

At Sun Pharma, we use a top-down approach to ensure excellence in our operations. Our diverse, single-tier Board of Directors[9] represents this approach, comprising highly motivated and dedicated industry experts. The Board and its committees strictly oversee the implementation of the Global Code of Conduct (GCoC), company policies, processes, and compliance with local laws and regulations. This approach highlights our dedication to responsible business practices throughout our operations and value chain.

## Board of Directors (as on March 31, 2025)
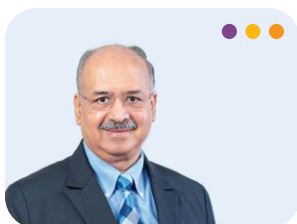
**Mr. Dilip Shanghvi**
Chairman & Managing Director

**Mr. Aalok D Shanghvi**
Whole-time Director & Chief Operating Officer

**Dr. Pawan Goenka**
Lead Independent Director

**Mr. Gautam Doshi**
Independent Director
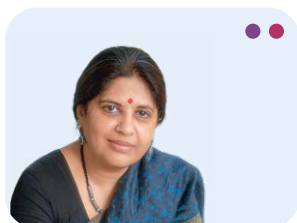
**Ms. Rama Bijapurkar**
Independent Director**

**Mr. Sanjay Asher**
Independent Director

**Mr. Rolf Hoffman**
Independent Director

**Mr. Sudhir V. Valia**
Non-Executive Director

● Audit Committee | ● Corporate Social Responsibility Committee | ● Stakeholders' Relationship Committee |
● Risk Management Committee | ● Nomination and Remuneration Committee | ● Corporate Governance and ESG Committee

**appointed as member of Audit Committee effective from March 31, 2025

[9]GRI 2-9 & GRI 2-11

# Corporate Governance

## Board Committees

At Sun Pharma, Board-level committees are integral to our governance framework. The Board has established six committees[10] every committee has defined responsibilities to effectively manage different aspects of the organisation. These committees convene regularly to address technical or specialised issues, offering guidance and valuable recommendations to the Board[11] which there by strengthens our decision-making process. Furthermore, the committees play a crucial role in monitoring the evaluation and execution of various initiatives, demonstrating our dedication to strong corporate governance. The Board and its committees also oversee the implementation of our strategies, Global Code of Conduct (GCOC), processes, and ensure compliance with regulations and various Company policies[12] reflecting our commitment to responsible business conduct across our operations and value chain.

### Audit Committee

The Audit Committee oversees the Company's financial reporting process, reviews internal financial controls, assesses the risk management system, whistleblower/vigil mechanism effectiveness, and the effectiveness of the audit process. It also establishes a connection between internal and external auditors, approves transactions with related parties, evaluates internal financial controls and risk management systems, among others.

### Corporate Governance and ESG Committee

The Corporate Governance and ESG (CG&ESG) Committee is responsible for overseeing compliance with the Company's Global Code of Conduct and Legal Compliance Policy, while also reviewing and recommending best practices in corporate governance. It plays a key role in formulating, evaluating, and implementing the Policy on Materiality and Dealing with Related Party Transactions. Additionally, the Committee provides strategic guidance on ESG matters, monitors the Company's ESG goals, strategies, and initiatives, and oversees the identification of sustainability-related risks and opportunities. It also ensures adherence to various applicable guidelines and regulatory requirements related to governance and sustainability.

### Corporate Social Responsibility (CSR) Committee

The primary role of this committee is to develop the annual action plan and recommend the amount of expenditure on CSR activities to the Board. It also monitors and evaluates the utilisation of funds allocated for various CSR projects and activities in accordance with the Company's CSR policy.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee reviews and approves the Remuneration Policy,[13] sets criteria for evaluating Independent Directors, recommends and approves remuneration for Whole-time Directors and all remuneration in whatever form is payable to senior management, identifies potential Director candidates and senior management based on established criteria, and recommends their appointment or removal to the Board, among other responsibilities.

### Risk Management Committee

The Risk Management Committee works for the implementation of the Risk Management Policy in addition to reviewing and assessing the risks and subsequent mitigation plan. It evaluates the effectiveness of risk management systems, reviews internal control processes for identified risks and business continuity plans, and ensures appropriate methodologies, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company.

### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee addresses security holders' concerns and monitors service standards and measures compliance. It also reviews the steps taken to reduce the number of unclaimed dividends.

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As of March 31, 2025, our Board of Directors comprised of 8 members, of which 5 were Independent Directors, including 1 female Independent Director. All Independent Directors comply with the criteria outlined in the Companies Act 2013 and SEBI's Listing Regulations 2015. Additionally, SEBI requires that one-third of all Board members be independent; at Sun Pharma, 62.5% of our Directors were independent as on March 31, 2025. In FY25, the role of our Chairperson and Managing Director was held by Mr. Dilip S. Sanghvi.

Dr. Pawan Goenka is the Lead Independent Director. The roles and responsibilities of the Lead Independent Director ('Lead ID') inter alia include the Lead Independent Director to chair the Board meetings in the absence of the Chairman. We conducted a total of 7 Board Meetings during the reporting year, with an average attendance rate of 92.9%. All Directors are required to attend a minimum of 75% of meetings on a best effort basis.

Furthermore, as on the year ended March 31, 2025, five of our Non-Executive/Independent Directors hold fewer than four mandates with other listed companies. Additionally, in line with SEBI regulations, none of our Non-Executive or Independent Directors holds more than 7 mandates in any other publicly listed company.

In compliance with the Companies Act 2013, one-third of all Non-Independent Directors retire by rotation and are re-elected annually. Independent directors are appointed for a specific term[14]. Each member of the Board of Directors is elected individually. The average Board tenure in the reporting year was 10.5 years. Among our Board members, 2 Independent/Non-Executive Directors have specific experience in the pharmaceutical industry: Mr. Rolf Hoffman (Independent Director) and Mr. Sudhir Valia (Non-Executive Director). For more information on our Directors' skills and expertise, please refer to page 75 of our FY25 Annual Report[15]:

🔗 SPIL-Annual-Report-2024-25.pdf

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[10]GRI 2-13 | [11]GRI 2-16 | [12]GRI 2-12, 2-13 & 2-14 | [13]GRI 2-20 | [14]GRI 2-10 | [15]GRI 2-17

# Corporate Governance

## Board Evaluation

During the year, annual performance evaluation of the Board and Committees of the Board, individual Directors, including the Chairman of the Company, was carried out. The Board performance evaluation is carried out under a comprehensive Performance Evaluation Programme ('PEP'), forming a part of the roles and responsibilities of the Nomination and Remuneration Board Committee ('NRC')[16].

Every year, NRC reviews the performance evaluation criteria for the Board as a whole, the Board committees and individual board members, taking into consideration the SEBI guidelines and the guidance note issued by the Institute of Company Secretaries of India (ICSI). The PEP 2024-25 was conducted through a dual approach:

- **Questionnaire Approach** wherein a questionnaire for performance evaluation of the Board as a whole, Board committees and individual Board members was circulated seeking input from each Board member, and

- **Interaction Approach** wherein the Lead Independent Director had one-on-one interactions with each Board member, seeking input and suggestions on the effectiveness of the Board processes.

## Board Nomination and Remuneration

The Board approves the remuneration for the Managing Director and Whole-time Directors based on recommendations from the Nomination and Remuneration Committee, within the limits set by shareholders at their meetings. Non-executive Directors receive a sitting fee of ₹ 100,000 for attending each Board or Committee meeting.[17] The Board periodically decides on commission payments for Independent Directors, considering factors such as the time each Director spends on Board activities.

The Board is responsible for driving our vision, ensuring sustainable results, and delivering significant shared value to all stakeholders.[18] We have established a framework outlining key personnel's responsibilities regarding ESG matters, emphasising the integration of ESG principles across our operations with ongoing Board oversight.[19]

## Remuneration Paid/Payable (to the Directors of the Company for FY25)

The ratio of our Managing Director's remuneration to the median remuneration of employees for the reporting year was 91.45. Information regarding the percentage increase or decrease in remuneration can be found on page 81 of our FY25 Annual Report:

🔗 https://sunpharma.com/wp-content/uploads/2025/07/SPIL-Annual-Report-2024-25.pdf.

The table below outlines the remuneration paid to our Board for the reporting year[20].**

(Amount in ₹ Million)

| Director | Salary | Variable Pay | Bonus | Prerequisites/ Benefits | Sitting Fees | Commission to Independent Directors | Total |
|---|---|---|---|---|---|---|---|
| **Mr. Dilip S. Shanghvi** | 49.0 | - | 9.8 | 6.0 | - | - | 64.8 |
| **Mr. Aalok Shanghvi** | 42.6 | 9.8 | 4.6 | 18.8 | - | - | 75.8 |
| **Dr. Pawan Goenka** | - | - | - | - | 3.6 | 7.2 | 10.8 |
| **Mr. Gautam Doshi** | - | - | - | - | 3.3 | 6.5 | 9.8 |
| **Ms. Rama Bijapurkar** | - | - | - | - | 1.2 | 5.6 | 6.8 |
| **Mr. Rolf Hoffman** | - | - | - | - | 1.1 | 5.5 | 6.6 |
| **Mr. Sanjay Asher#** | - | - | - | - | 1.3 | 5.5 | 6.8 |
| **Mr. Sudhir Valia##** | - | - | - | - | 2.2 | - | 2.2 |

#Ceased to be the Director of the Company upon completion of term of appointment effective from March 31, 2025

##Retired as Director effective from July 31, 2025

**Remuneration figures are for standalone entity

[16]GRI 2-18 | [17]GRI 2-19 & 2-20 | [18]GRI 2-12 | [19]GRI 2-13, 2-14 & 2-15 | [20]GRI 2-21

# Corporate Governance

## Policies

We have established a strong governance structure and comprehensive policies to ensure responsible business conduct across our operations and value chain. These policies clearly define expectations for all employees and business partners, serving as guiding documents for various business operations.[21]

- **Global Code of Conduct**
- **Policy on Material Subsidiaries**
- **Legal Compliance Policy**
- **Risk Management Policy**
- **Policy on Materiality and Dealing with Related Party Transactions**
- **Policy of Determining Materiality of Events and Information**
- **Remuneration Policy**
- **Code of Fair Disclosure**
- **Global Whistleblower Policy**
- **Business Responsibility and Sustainability Reporting Policy**
- **Corporate Social Responsibility Policy**
- **Board Diversity Policy**
- **Suppliers & Third Party Code of Conduct**
- **Human Rights Policy**
- **Tax Policy**
- **Dividend Distribution Policy**

## Global Code of Conduct

Our Global Code of Conduct (GCoC)[22] provides for a detailed framework on the manner and mode of upholding the highest standards of responsible conduct across our business operations and value chain.[23] It is the foundation of the governance of our business activities and applies to both employees and the Board of Directors. Additionally, all our business partners, including suppliers, service providers, agents, and channel partners, are required to follow the principles outlined in the GCoC. Further information can be found here: ↗ https://sunpharma.com/wp-content/uploads/2025/09/Sun-Pharma-Global-Code-of-Conduct-1-April-2025.pdf

Our GCoC enforces a strict zero-tolerance approach to bribery and corruption. We rigorously uphold these principles across all our operations and closely monitor compliance.[24] Employees receive training on these guidelines and other aspects of the GCoC and are expected to adhere to them[25]. For FY25, there were no reported instances of corruption, bribery, conflicts of interest, money laundering or Insider Trading.[26] We do not make any contribution or incur any expenditure towards political campaigns, or for charitable contributions and sponsorship that acts as a means of bribery and corruption. For a detailed view of all our global policies, visit our corporate website ↗ https://sunpharma.com/policies/

## Grievance Redressal

At Sun Pharma, we prioritise a robust grievance redressal mechanism to address all concerns from our stakeholders promptly and securely.[27] Our Global Whistleblower Policy provides a safe way for all stakeholders to report any misconduct or violation of our GCoC and other policies. We encourage reporting of any potential breaches or retaliation. Complaints regarding product quality, adverse events, or other issues can be submitted on our website ↗ (https://sunpharma.com/contact/) without fear of reprisal.

We have set up a grievance redressal mechanism for our shareholders, managed by the Registrar and Share Transfer Agents, as mandated by SEBI.

In FY25, we resolved 40 shareholder complaints within the reporting timeframe. Additionally, we received 11 sexual harassment complaints for which we implemented appropriate remedial measures under the Prevention, Prohibition, and Redressal of Sexual Harassment Policy outlined in the GCoC.[28]

## ESG Governance Oversight

ESG governance at our Company is structured to ensure strong oversight and effective management of environmental, social, and governance initiatives. This includes dedicated committees at both the Board and executive levels, enabling comprehensive supervision and strategic direction for our sustainability efforts. By integrating ESG considerations into our governance framework, we reinforce our commitment to responsible business practices and long-term value creation.

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[21]GRI 2-23 & 2-24 | [22]GRI 2-23 | [23]GRI 2-24 | [24]GRI 205-1 | [25]GRI 205-2 | [26]GRI 2-15, 205-3 & 206-1 | [27]GRI 2-25 & 2-26 | [28]GRI 2-27

# Risk Management
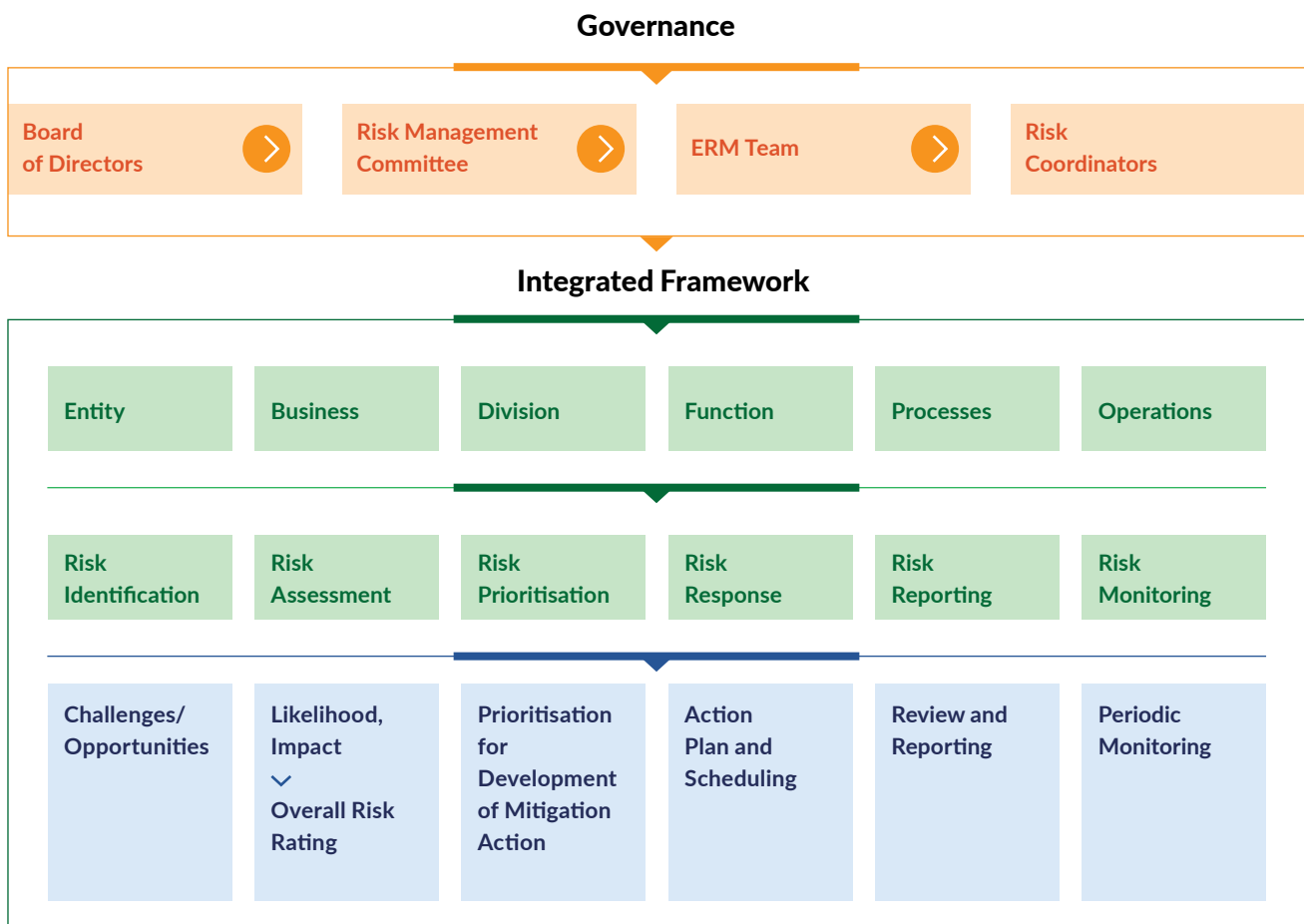
## Risk Management

# Strengthening Resilience through Risk Management

At Sun Pharma, risk management is deeply integrated with our corporate strategy. We focus on assessing, mitigating, and reducing risks while improving our risk management skills. Given our presence in multiple geographies globally, we face various uncertainties, including strategic, regulatory, financial, operational, and market risks.

We monitor, analyse and mitigate these risks through our Enterprise Risk Management (ERM) framework. Our risk governance mechanism and our integrated approach to risk management help us navigate current and emerging challenges, enabling us to achieve our business objectives with resilience and determination.

### Our Enterprise Risk Management Framework

Our Enterprise Risk Management (ERM) framework forms the basis of our risk monitoring and response system, tailored to meet the needs of both internal and external stakeholders. We have incorporated valuable practices recommended by ISO 31000:2018 and the Treadway Commission's Committee of Sponsoring Organisations (COSO) to enhance our risk management processes and frameworks. The ERM framework, as shown below, applies to all our business units, subsidiaries, regions, and support functions.

**Governance**

| Board of Directors | → | Risk Management Committee | → | ERM Team | → | Risk Coordinators |
|---|---|---|---|---|---|---|

**Integrated Framework**

| Entity | Business | Division | Function | Processes | Operations |
|---|---|---|---|---|---|
| Risk Identification | Risk Assessment | Risk Prioritisation | Risk Response | Risk Reporting | Risk Monitoring |
| Challenges/ Opportunities | Likelihood, Impact ˅ Overall Risk Rating | Prioritisation for Development of Mitigation Action | Action Plan and Scheduling | Review and Reporting | Periodic Monitoring |

# Risk Management

I  II  III  IV  V  VI  VII  VIII  IX

## Risk Governance Structure

Risk Management at Sun Pharma is a cross-functional, collaborative effort involving multiple departments to ensure a unified approach to identifying and managing risks. The overall responsibility of risk management in the organisation lies with the independent Risk Management Committee (RMC) constituted by the Board of Directors. The RMC is tasked with ensuring that appropriate systems and processes are in place to monitor and evaluate risks associated with our business, monitor the implementation of our Risk Management policy, and evaluate the effectiveness of our systems. The RMC also undertakes quarterly reviews of our Enterprise Risk Management framework and keeps the Board of Directors informed on the evolving risk landscape and actions to be taken[29].

We have dedicated Risk Coordinators whose primary responsibility is to manage and coordinate all risk management activities. The Risk Coordinators undertake regular reviews of the Risk Register to ensure adequate coverage of all respective business and support functions. They also facilitate and provide support to respective functions to identify,

assess, evaluate, prioritise, monitor and report on potential and actual risks. Further, they maintain direct oversight on the current status of all risks and track the progress of the implemented mitigation plan and submit periodic findings and updates to our Enterprise Risk Management (ERM) team.

The Risk Coordinator is supported by Function Heads who form the second line of operational risk management. Function heads have the primary responsibility to identify, assess and manage risks pertaining to their function. They undertake periodic meetings to monitor the trends and parameters of their responsibility area that impact our risk profile, communicate internally on findings and coordinate the updates to be made to our risk register. Regular review of business function risk registers is also undertaken to assess the need to include any new risks. Function Heads also evaluate the effectiveness of existing mitigation measures and implement additional actions for reduced risk exposure.

Our ERM team maintains and monitors the risk register for all business and support functions. They are responsible for ensuring the adequacy of our risk

management processes and their implementation. They also track the progress of mitigation measures for significant risks. The ERM team works closely with all Risk Coordinators to ensure appropriate mitigation measures have been developed and implemented for each identified risk. Risk reports are regularly prepared by the team and submitted to the RMC. Our Internal Audit team has overall responsibility for reviewing our identified risks and validating the effectiveness of implemented mitigation plans during periodic internal audits.

Through our materiality assessment process, we capture the stakeholder perceptions of important topics for our business. This enables the management to consider the views of stakeholders to the organisation while evaluating the risk register, enabling the creation of risk responses to important areas which affect our ability to create value for our stakeholders. We evaluate our material topics with the senior management to monitor if there are any changes in global macroeconomic trends, business landscape or strategy necessitating additional relegation, addition or re-prioritisation of topics.

## Risk Management Approach

We promptly address new risks and review existing ones at least biannually or more often if needed. For adverse events, updates are shared with the Board depending on their severity. Every six months, the Risk Management Committee is briefed on newly identified emerging risks, ensuring a proactive and transparent risk management approach.

### Risk Identification

Functional heads identify internal and external events that may impact the Company's operations. These risks are documented in a risk register, detailing their descriptions, causes, and mitigation strategies.

### Risk Assessment and Prioritisation

Identified risks are assessed/rated for their likelihood and impact based on Company's risk appetite by senior management, using both quantitative and qualitative methods. The organisation then prioritises significant risks to develop an effective mitigation strategy.

### Risk Response

Respective function heads develop mitigation strategies, along with clear action plans with timelines, and present them to senior management for approval. The activity or situation posing a risk may be reduced, accepted, shared, transferred, or avoided depending on the facts and circumstances.

### Risk Reporting

The ERM team and respective risk coordinators/ functional heads review all risks. Key risks are periodically reported to the senior management.

### Risk Monitoring

Management has defined a periodic process for reviewing risks and their mitigation plans. The RMC periodically evaluates the status of action plans for key risks, as agreed upon with risk coordinators/ function heads.

[29]For detailed information about the roles and responsibilities of each stakeholder, please refer to the Company's synopsis of Enterprise Risk Management Policy available at: https://sunpharma.com/wp-content/uploads/2024/07/2024-05-21-Risk-Management-Policy-Synopsis.pdf

# Risk Management

I  II  III  IV  V  VI  VII  VIII  IX

## Key Risks

Following the management's extensive assessment, we have identified significant risks that may impact our business operations, financial performance, and overall success. Below is a summarised account of the key risks and the impact(s) that merit careful consideration of the organisation's exposure to these risks. The list of mitigation actions is not exhaustive. It only indicates the comprehensive approach we take to manage the risks.

### Risk - Corporate Governance and Business Ethics

**Risk Description –** Addresses the requirements of sustaining a high standard of compliance across various markets, staying up to date with changing regulations, and enforcing ethical business practices.

**Impact**

Failure to maintain and uphold the highest standards of corporate governance and business ethics could result in regulatory consequences, as well as financial and reputational damage, and business continuity.

**Mitigating Actions**

- Consistent and regular engagement with regulatory agencies in all our markets, to ensure compliance and reduce any possibility of noncompliance.
- Focused and regular training is provided to all staff members to ensure strict compliance with the Company's business ethics and Global Code of Conduct. Strong focus is also given to quality control at all operational locations to maintain cGMP compliance.

**Magnitude**

Minor

**Likelihood**

Unlikely

### Risk - Product Quality, Safety and Recall Management

**Risk Description –** These risks are associated with an identification of the difficulties in monitoring and making sure of the safety of our products throughout their lifecycle. It includes the following issues such as adverse event reporting, compliance with GxP regulations, and communication of safety-related information.

**Impact**

Significant concerns about product safety and quality could lead to recalls and regulatory alerts, temporarily impair business operations, and harm our reputation and brand. It could also result in legal repercussions, fines and penalties.

**Mitigating Actions**

- Ensure continued and strict compliance with global quality standards and protocols and the applicable local regulatory requirements.
- Provide for robust and centralised pharmacovigilance systems with thorough Standard Operating Procedures (SOPs) to ensure effective monitoring and reporting of adverse events.
- Regular investment in technological advancement, training programmes on current Good Manufacturing Practices (cGMP), automation, digitalisation, and employee skill development.
- Undertake detailed and regular quality assessments of third-party suppliers.
- Implement measures to protect our brand (intellectual property and trademarks) and combat counterfeiting, to ensure the authenticity of our products in the market.

**Magnitude**

Major

**Likelihood**

Unlikely

# Risk Management

## Risk - Cyber Security and Data Privacy

**Risk Description –** Vulnerabilities of IT systems, absence of regular technology updates, and potential cyber threats from hackers and data breaches that compromise sensitive information and digital assets.

### Impact

The absence of strong data integrity and security significantly increases the risk of data breaches, potentially leading to the loss of valuable data with potential adverse effects on the business. Breaches of customer/stakeholder data may expose us to litigation, fines, and penalties.

### Mitigating Actions

- Regular vulnerability assessments and simulated hacker attacks of our IT systems are undertaken to prevent breaches of the Company or stakeholders' data.

- We have implemented patch management, antivirus software, IT monitoring systems, and perimeter protection to reduce the risks associated with cybersecurity and data breaches. Furthermore, we regularly provide training to our staff members on cybersecurity and reaffirm this knowledge through recurring internal emails that address secure data practices, safeguarding against phishing emails, and averting hacker attacks.

### Magnitude

Major

### Likelihood

Likely

## Risk - Human Capital Development

**Risk Description –** Focused investment in talent management initiatives, such as talent acquisition, retention, development, employee well-being, and satisfaction.

### Impact

Neglecting to meet employee expectations could lead to adverse long-term effects on productivity and hinder the Company's growth trajectory.

### Mitigating Actions

- We implement various initiatives to attract and retain talent, including global talent management programmes, competitive compensation, fostering an inclusive work culture, and offering employee benefits programmes.

- We have established a formal succession planning programme for all leadership positions.

- We prioritise employee skill enhancement through continuous training and development opportunities.

### Magnitude

Major

### Likelihood

Remote/Rare

# Risk Management

I  II  III  IV  V  VI  VII  VIII  IX

## Risk - Access and Affordability

**Risk Description –** Addresses hindrances in product portfolio, product accessibility, and pricing.

**Impact**

Long-term brand value and growth prospects may suffer if the Company's products become inaccessible or if expansion into new geographic markets is hindered.

**Mitigating Actions**

- We prioritise building a robust and diversified product portfolio through improved cross-functional synergies, organisational capabilities, project management, and governance throughout the product lifecycle.
- We enhance our capabilities in both in-licensing and out-licensing of products.
- Our focus lies on the development and commercialisation of complex generics and specialty products, among other priorities.
- We emphasise operational excellence programmes aimed at improving yields, ensuring supply chain continuity, and maintaining sufficient inventory levels.

**Magnitude**

Major

**Likelihood**

Possible

## Risk - Environmental Impact Management

**Risk Description –** Increased efforts for efficient water usage and reduced waste generation, and proper disposal are necessary to demonstrate the Company's commitment to a sustainable future and a healthy planet.

**Impact**

Neglecting environmental effects can result in unfavourable legal, regulatory, and financial repercussions, a decline in shareholder trust and reputation, and finally could lead to potential loss of an operating license.

**Mitigating Actions**

- We continue to identify opportunities to minimise any adverse environmental effect from our operations. We have adopted targets for waste management and water conservation. Our targets are to reduce water consumption by 10% and to co-process 30% of hazardous waste by 2025.
- We closely monitor and track our waste management and water consumption. Our priorities are to increase water efficiency, decrease water withdrawal, and increase water recovery. For waste management, we focus on co-processing hazardous waste and increasing recycling and reuse within our own operations.

**Magnitude**

Minor

**Likelihood**

Unlikely

# Risk Management

## Risk - Climate change

**Risk Description –** Inefficacious management of greenhouse gas (GHG) emissions could lead to climate-related physical and transition risks for the Company, causing disruption of operations and affecting business continuity.

### Impact

Our assets could be harmed by possible direct physical threats to our activities, which consequently, can result in a halt to operations and a rise in the cost of repairing and rebuilding affected locations. The transition risks brought on by climate change may also lead to stricter laws in the nations where we do business and export, which would increase the cost of compliance or new technology investments. Losing reputation and the trust of stakeholders can also result from a failure to respond to the negative effects of climate change.

### Mitigating Actions

- We have set a 35% reduction target for absolute carbon emissions (Scope 1 and Scope 2) by 2030 compared to baseline of 2020.

- To identify and assess the physical and transitional risks associated with our operations, we have also undertaken climate risk assessments.

- By boosting the proportion of biomass, obtaining renewable energy, and putting energy-efficiency programmes into place to maximise our energy usage, we are constantly looking for ways to lessen our dependence on fossil fuels in our operations.

### Magnitude

Minor

### Likelihood

Unlikely

## Risk - Sustainable Supply Chain and Responsible Procurement

**Risk Description –** Consists of supply chain disruptions that could affect the business continuity or product quality and the risk of non-substitutable suppliers that can affect the continued availability of critical raw materials.

### Impact

Long-term commercial partnerships with suppliers may be impacted if standards related to various social, environmental and safety aspects are not complied with by suppliers, leading to loss of business value. Non-substitutable and critical raw material suppliers may impact the business in case of any unforeseen disruptions.

### Mitigating Actions

- We are constantly looking for ways to reduce supply chain risk, such as by assessing potential substitute sources for essential or non-replaceable raw materials.

- The suppliers are required to abide by the Company's ESG requirements as part of the Supplier Code of Conduct.

- The Company has a high focus on developing quality products and the safety of consumers. The quality of raw materials for our production process is ensured by conducting periodic supplier audits.

### Magnitude

Moderate

### Likelihood

Possible

# Risk Management

## Risk - Occupational Health and Safety (OHS)

**Risk Description –** OHS is an integral part of our commitment to providing a safe and secure work environment for employees. Having an ineffective Health and Safety management system and programmes may cause many health and safety incidents.

### Impact

A regular occurrence of health and safety issues will negatively impact the performance of the Company concerning worker well-being and safety. This will have an effect on the Company's reputation, brand image, and capacity to draw in and retain talent.

### Mitigating Actions

- The business maintains a robust Environmental Health and Safety (EHS) management system, comprising regular audits of its EHS procedures, both internal and external.

- Our Process Safety Management system's guiding principles serve as the foundation for both our safety procedures and risk assessment methodology, which unifies our approach to health and safety from the perspectives of working conditions and risk assessment.

- After potential risks are identified and safety incidents are evaluated, a thorough corrective action plan is established to prevent the occurrence of similar incidents in the future.

### Magnitude

Minor

### Likelihood

Possible

## Risk - Ethical Clinical Trials and Animal Testing

**Risk Description –** Addressing risks associated with clinical trials and animal testing is critical to demonstrate our commitment to responsible research practices, especially around the ethical and safety-related concerns of trials on human subjects and animal testing. Adverse events related to research practices can cause delays in product development and could lead to financial losses and negative public perception.

### Impact

Failure to comply with guidelines and regulations of clinical trials and animal testing can undermine the efficacy and safety of the Company's clinical trials. It may also have an adverse regulatory/legal impact, lead to financial damages and reputation loss and have a negative impact on participant's health and safety. Delays at any stage can also prolong the overall timeline for drug development, leading to increased costs.

### Mitigating Actions

- We comply complies with all relevant regulatory requirements governing clinical trials and animal testing. We have dedicated teams, responsible for ensuring compliance with these regulations, which involve obtaining necessary approvals, permits, and maintaining thorough documentation.

- We also implement robust quality control and safety measures throughout the research process. This involves monitoring and auditing the conduct of clinical trials, data collection, and analysis to ensure accuracy, reliability, and compliance with relevant standards.

- Long-term safety studies are undertaken for some of our innovative specialty products, post commercialisation, in order to evaluate and measure safety parameters over a longer time horizon.

- On certain projects, we collaborate with academic institutions, research organisations, and regulatory agencies to share knowledge, expertise, and resources. Such collaborations also enable collective efforts, checks and balances to enhance the quality and ethical standards of clinical trials and animal testing.

### Magnitude

Moderate

### Likelihood

Rare

# Risk Management

## Risk - Business interruption/Operational inefficiencies

**Risk Description –** Possible disruptions or inefficiencies by natural disasters, regulatory hindrance, cyber security threats, or workmen shortages could have an impact on the manufacturing and supply chains.

### Impact

Business interruptions/operational inefficiencies can result in the loss of revenue, a surge in operational expenses, and, in extreme cases, damage to the company's reputation.

Additionally, delays in entering the market could have an impact on our competitiveness. Data breach cases could escalate legal and financial liabilities.

### Mitigating Actions

- 3-month planning for crucial raw materials to avoid stockouts - Keep safety stock for approximately three months for all critical products. When there is a supply delay, decrease lead time by transporting shipments through air and ensuring the availability of the product.

- Regular review by senior management and department-wise responsibility given to ensure adherence with relevant regulatory requirements and product launch timeframes.

- We keep a stock of essential spares at many sites to ensure uninterrupted availability.

- Install backup solutions like DG sets and tanker supplies to decrease the chances of power and raw material shortages.

- We raise new manpower requests during the budget to manage the shortage in manpower and evaluate the site regularly.

### Magnitude

API Business - Minor
Formulation Business - Moderate

### Likelihood

API Business - Likely
Formulation Business - Likely

## Risk - Intellectual Property (IP), Trademark, Technology, and Other Confidential Information

**Risk Description –** Possible threats to our intellectual assets include theft, unauthorised usage, or violation of patents, trademarks, and confidential data.

### Impact

Breach of valuable assets could lead to costly legal battles and erode the company's reputation. Further, stakeholder trust could be impacted if confidential data is compromised, impacting partnerships and customer confidence.

### Mitigating Actions

- Work with Drug Controllers to execute compliance and revoke manufacturing licenses of counterfeiters.

- Provide training for identifying potential market violations to the field force.

- We have set a dedicated team at the head office to manage field inputs and carry out actions deemed necessary.

- Inspecting new trademark filings periodically to recognise conflicts and avoid infringements.

- Setting up a standard operating procedure and framework, and a standard to safeguard our IP for branded products in important markets.

### Magnitude

Moderate

### Likelihood

Likely

# Risk Management

## Risk - Price, Cost & Margin Pressure

**Risk Description –** Market competition, revisions in the prices controlled by the government and changes in the costs or prices of raw materials and manufacturing expenses affect the business profitability.

### Impact

Adverse effects on the overall financial performance and long-term business viability.

### Mitigating Actions

- We reinforce product portfolio with new and innovative products to be distinct to set apart from competitors and withstand pricing pressures.

- Cost-effective solutions such as

  - Identify the feasibility of creating alternative vendors/sites for products to enhance production costs and reduce dependencies.

  - Optimise the dependencies on sea and air transport in favour of cost-effective sea shipments to decrease transportation expenses.

  - Explore other options such as usage of alternate fuels and automation to increase cost efficiency in manufacturing processes.

### Magnitude

Major

### Likelihood

Unlikely

## Emerging Risks

At Sun Pharma, we take a structured approach to risk assessment by evaluating the likelihood, potential impact, and expected timeframe of risks. Emerging risks are reviewed at least once every three years to ensure timely mitigation and to avoid significant disruptions. This process is guided by our comprehensive risk management framework, which emphasises both probability and business impact.

We conduct analyses of emerging risks using internal and external data sources, including industry trends, market research, regulatory developments, and expert opinions, to identify and categorise emerging risks. This systematic methodology enables us to implement proactive mitigation strategies and safeguard business continuity.

We present below two of the emerging risks identified:

## Geopolitical Fragmentation

Sun Pharma faces elevated risks to its manufacturing facilities and customer operations located in regions experiencing heightened geopolitical tensions, particularly in the Middle East and Eastern Europe. Ongoing regional conflicts in countries such as Israel, Iran, Russia & Ukraine and sudden changes in regimes in countries like Bangladesh and Nepal—where the company has a presence—pose potential disruptions to business continuity and operational stability.

### Impact

Sun Pharma operates globally, with manufacturing facilities and customers spread across multiple countries. Some of our key manufacturing sites are located in Israel, Russia, and Bangladesh—regions that have experienced escalating geopolitical tensions in recent years. These conflicts pose significant risks to our supply chain, potentially disrupting the movement of raw materials and finished goods, which can lead to delays or halts in production.

### Mitigating Actions

- To address potential geopolitical disruptions, Sun Pharma has implemented a comprehensive risk management and contingency planning framework. Our approach includes strategic planning, geographical diversification, supply chain & Inventory management, prudent resource allocation, and the cultivation of strong international partnerships to mitigate the effects of geopolitical fragmentation.

- Additionally, our corporate social responsibility initiatives and active engagement with local communities help build trust and goodwill, reducing political risk. By investing in healthcare infrastructure and community development programs, we strengthen our relationships with local stakeholders and enhance our resilience in volatile regions.

# Risk Management

## Global Tariff Volatility

The US is a major market for Sun Pharma, and hence any increase in US import tariffs may potentially have a negative impact. Evolving global tariff policies are creating additional risks for traded goods. Higher tariffs on finished formulations and products routed through multiple jurisdictions are eroding margins, restricting product availability, and straining cross-border distribution models. In regions with complex trade dynamics, tariff volatility also heightens regulatory delays and operational uncertainty, challenging company's ability to ensure timely, cost-effective access to international markets. These compounding pressures make it harder to balance competitive pricing with reliable global supply.

Higher tariffs may also result in rising prices of imported active pharmaceutical ingredients (APIs) and critical intermediates, exerting sustained upward pressure on production expenses. This trend threatens to disrupt supply chain stability, raise overall manufacturing costs, and inflate drug pricing. In addition, higher input costs risk slowing down innovation cycles, including research and development efforts, as resources are diverted to manage operational expenses rather than growth and advancement.

### Impact

Tariffs raise production costs, squeezing profit margins and making it difficult to pass these costs to consumers in regulated and price-sensitive markets, thereby creating financial pressure. Additionally, tariff-related delays at ports, increased customs scrutiny, and logistical bottlenecks can disrupt the global supply chain. This affects the timely availability of raw materials, traded formulations, and finished products, potentially leading to stockouts, missed market opportunities, and reputational risks. Higher costs and procurement delays for specialised equipment and materials may hinder R&D activities, which could slow the development of complex generics, biosimilars, and novel formulations, ultimately impacting the innovation pipeline and long-term competitiveness.

Furthermore, tariff barriers may reduce the price competitiveness of both manufactured and traded products in key international markets. Regulatory delays and increased compliance burdens could further complicate market entry and expansion strategies, especially in emerging economies and regions with volatile trade policies.

### Mitigating Actions

- Sun Pharma is pursuing a multi-pronged strategy to mitigate the impact of emerging tariff-related risks. This includes diversifying exports of pharmaceutical products, traded formulations, and equipment across regions with lower tariff exposure, thereby reducing reliance on a limited set of markets. Simultaneously, the company is strengthening local manufacturing capabilities to enhance self-sufficiency and reduce vulnerability to international trade disruptions.

- In parallel, proactive monitoring of trade policies and regulatory developments is undertaken, along with advocacy efforts to stay ahead of potential changes. Strategic inventory buffers for critical inputs and traded goods are being established across global sites to ensure operational continuity. These initiatives are further supported by participation in collective tariff negotiations and policy-shaping efforts, reinforcing resilience against tariff-related challenges.

## Risk Culture

We recognise the significance of fostering a risk management culture across the Company, supported by a strong framework for timely risk assessment and mitigation. We believe that a holistic and resilient risk culture is essential for effective risk management. To enhance awareness, we provide focused risk training to our employees, helping them understand potential risks and the importance of timely identification and reporting for effective mitigation.

Our Information Technology Security Team and Company Secretary regularly disseminate information on various risks. We consistently strive to ensure that employees adhere to regulatory requirements.

As part of the familiarisation programme for Board Members, as outlined under Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, functional heads and senior executives deliver presentations to the Board on topics such as operations, functional overviews, business performance and opportunities, the risk management framework, and the regulatory landscape in which the Company operates.

Being a pharmaceutical company, we also acknowledge the importance of integrating risk criteria into product development and approval processes. We have established a reliable global quality standard that equips users with critical information for managing risk throughout a product's lifecycle, from development to disposal.

# Stakeholder Engagement and Materiality Assessment

## Stakeholder Engagement and Materiality Assessment

# Engaging Stakeholders, Aligning Priorities

We engage with our stakeholders to foster continuous and transparent communication. Our dedicated functional representatives interact with their respective stakeholders to build strong, meaningful relationships and seek feedback. By involving stakeholders directly in the ESG materiality assessment, we ensure their insights are acknowledged and embedded within our ESG strategies.

To reach a broader audience, we utilise digital platforms and social media, enabling us to capture a wide spectrum of diverse viewpoints. Our approach to stakeholder engagement is systematic and thorough, focusing on accurate identification and mapping to understand the varied expectations of our Company. Key stakeholder groups include shareholders, local communities, customers, regulators, suppliers, third-party manufacturers, NGOs, patients, employees, and senior leadership.
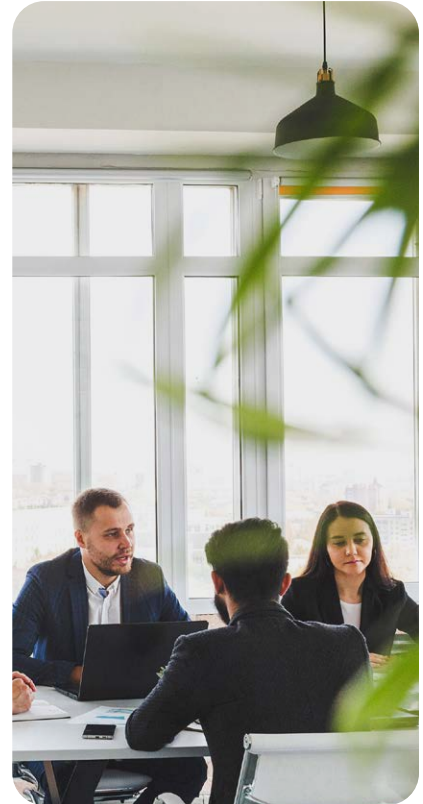
## Stakeholder Engagement Methodology

| Refining Stakeholder Priorities and Topics of Interest | Conversational Engagement and Managing Stakeholder Expectations | Leveraging Stakeholder Insights and Sharing Progress |
| --- | --- | --- |
| • Identifying Key Internal Stakeholders<br><br>• Identifying External Stakeholders<br><br>• Collating Topics of Interest from Previous Engagement Cycles | • Structured and Need-based Conversations.<br><br>• Capturing Stakeholder Feedback and Expectations<br><br>• Reviewing the Business Strategy and Managing Stakeholder Expectations | • Incorporate Stakeholder Feedback in Business Strategy Reviews<br><br>• Create Programmes to Address Stakeholder Expectations<br><br>• Regularly Update Stakeholders on Progress and Developments |

# Stakeholder Engagement and Materiality Assessment

I II **III** IV V VI VII VIII IX

## Gaining Insights: Our Stakeholder Engagement Approach[30]

### Investors/Shareholders

**Modes of Engagement**

- Financial Performance Reporting and Earnings Calls
- Engaging in Investor Conferences
- Event-driven Press Releases
- Investor Presentations

**Key Thematic Areas**

- Corporate Governance
- ESG Disclosures
- Regulatory Compliance
- Product Responsibility
- Cost Competitiveness

**Engagement Approach**

- Our governance procedures are based on fundamental business principles. We ensure transparency through regular disclosures, including the Annual Report, Sustainability Report, and Investor Presentations.

- Our Product quality and safety are maintained through close collaboration between dedicated teams such as the Quality Management team and the Pharmacovigilance unit.

- We focus on operational excellence by implementing initiatives that improve production, workforce efficiency, and supply chain management.

### Regulators

**Modes of Engagement**

- In-person meetings
- Emails

**Key Thematic Areas**

- Regulatory compliance
- Community engagement
- Rural market penetration
- De-risking supply chain

**Engagement Approach**

- We ensure adherence to regulatory requirements, establish robust SOPs, and implement remedial actions to prevent non-compliance.

- We implement community development initiatives tailored to address the specific needs of each community.

- We have developed a comprehensive strategy to foster a responsible supply chain and evaluate alternative suppliers when feasible.

[30]GRI 2-29

# Stakeholder Engagement and Materiality Assessment

I II **III** IV V VI VII VIII IX

## Suppliers/Vendors

### Modes of Engagement

- Vendor meets
- Virtual modes such as email or telephone
- Assessments

### Engagement Approach

- We monitor and ensure timely payments, leverage digital solutions, and utilise efficient management systems.
- We foster vendor collaboration tailored to specific needs to achieve effective partnerships and mutually beneficial outcomes.

### Key Thematic Areas

- Timely payments
- Collaboration

## NGOs (Non-Governmental Organisations)

### Modes of Engagement

- In-person meetings
- Virtual modes such as email or telephone

### Engagement Approach

- We actively promote and support employee volunteerism through diverse programmes and initiatives.
- Our CSR management system is continuously refined to better address the changing needs of the communities we serve.
- All CSR projects are aligned with the United Nations Sustainable Development Goals (SDGs), ensuring meaningful contributions to these global priorities.

### Key Thematic Areas

- Employee volunteering
- Agile decision-making

## Community

### Modes of Engagement

- In-person meetings
- Engagement through our NGO partners

### Engagement Approach

- Our community development activities are carried out based on comprehensive needs assessments.
- We have established formal and informal communication channels to address community grievances promptly and ensure effective resolution.

### Key Thematic Areas

- Community development programmes (Focusing on healthcare, education, water & sanitation, rural development, and environmental conservation)

# Stakeholder Engagement and Materiality Assessment

I   II   **III**   IV   V   VI   VII   VIII   IX

## Customers/Patients

**Modes of Engagement**

- In-person meetings
- Emails
- Customer feedback

**Key Thematic Areas**

- Product quality, access, and pricing

**Engagement Approach**

- We ensure the safety and efficacy of our products through a robust Quality Management System (QMS).
- We maintain a strong pharmacovigilance mechanism to promptly record and address product complaints.
- Our pricing strategy is designed to deliver the best value to our customers by balancing affordability, competitive market analysis, and customer needs.

## Employees

**Modes of Engagement**

- Employee-focused web portals
- Emails
- Employee engagement surveys
- Town halls

**Key Thematic Areas**

- Training, professional growth and development
- Well-being initiatives
- Employee recognition
- Fair remuneration
- Good work–life balance

**Engagement Approach**

- We implement personalised learning and development programs tailored to individual employee needs and skill sets.
- Our curated welfare and recognition programmes that celebrate the contributions and achievements of our workforce.
- We maintain an annual appraisal process and promote an open feedback culture to support constructive dialogue and employee growth.
- Our active employee engagement through various initiatives fosters involvement, collaboration, and ownership within the organisation.

## Senior leadership

**Modes of Engagement**

- In-person meetings
- Virtual modes such as email or telephone

**Key Thematic Areas**

- Sustainable and resilient business operations
- R&D and innovation

**Engagement Approach**

- We conduct regular reviews of our business strategy, taking into account market dynamics and incorporating insights from stakeholders.
- We leverage emerging technologies to drive innovation and continuously strengthen our research and development (R&D) capabilities.

# Stakeholder Engagement and Materiality Assessment

I II **III** IV V VI VII VIII IX

## Materiality Mapping: Identifying Key Sustainability Priorities

We periodically review our approach to identifying the material topics for our business. Guided by the principles of double materiality, this exercise was designed to capture the evolving priorities of our stakeholders while aligning them with our strategic objectives. During the reassessment, we evaluate material topics by considering their impact not only on business performance but also on broader societal and environmental outcomes.

This dual-focus approach empowers us to proactively address key ESG challenges, thereby driving sustainable value creation for all our stakeholders. Senior Management has been engaged through targeted reviews and discussions centred on the revised materiality assessment and its key issues. To remain responsive to changing external factors, such as shifts in the competitive landscape, macroeconomic dynamics, evolving consumer preferences, and regulatory and investor expectations, we have established a process that ensures periodic review and prioritisation of material topics.[31]

### Explore

During the materiality assessment, targeted research was conducted to identify the most relevant material issues for our business. This process was guided by recognised standards and frameworks, including the Sustainability Accounting Standards Board (SASB), MSCI, Global Reporting Initiative (GRI), and S&P Global, while also considering emerging risks and key trends within the pharmaceutical sector.

### Identify and Engage

In previous years, we used online surveys to gather insights from external stakeholders. We conducted an internal review to capture senior management perspectives. These combined efforts helped us identify the critical material topics for the Company.

### Review and Evaluate

We analysed responses from senior management alongside stakeholder feedback to develop the materiality matrix. This process ensured that the key material topics are aligned with stakeholder expectations and our strategic business objectives.

## Our Materiality Topics for FY25

We have identified and prioritised the key material topics most relevant to our business, presenting them visually through a materiality matrix. The material topics in this matrix are an outcome of our stakeholder engagement and materiality assessment process conducted in FY23. These topics are the result of a process that combines stakeholder engagement with a thorough materiality assessment, all guided by the principles of double materiality. In evaluating each topic, we considered its perceived impact on Sun Pharma's business and its capacity to create, preserve, or diminish value for shareholders and other stakeholders. Furthermore, we assessed the broader effects of these topics on society and the environment as influenced by Sun Pharma's business activities.

[31]GRI3-1, 3-2, 3-3

# Stakeholder Engagement and Materiality Assessment

## Materiality Matrix FY25
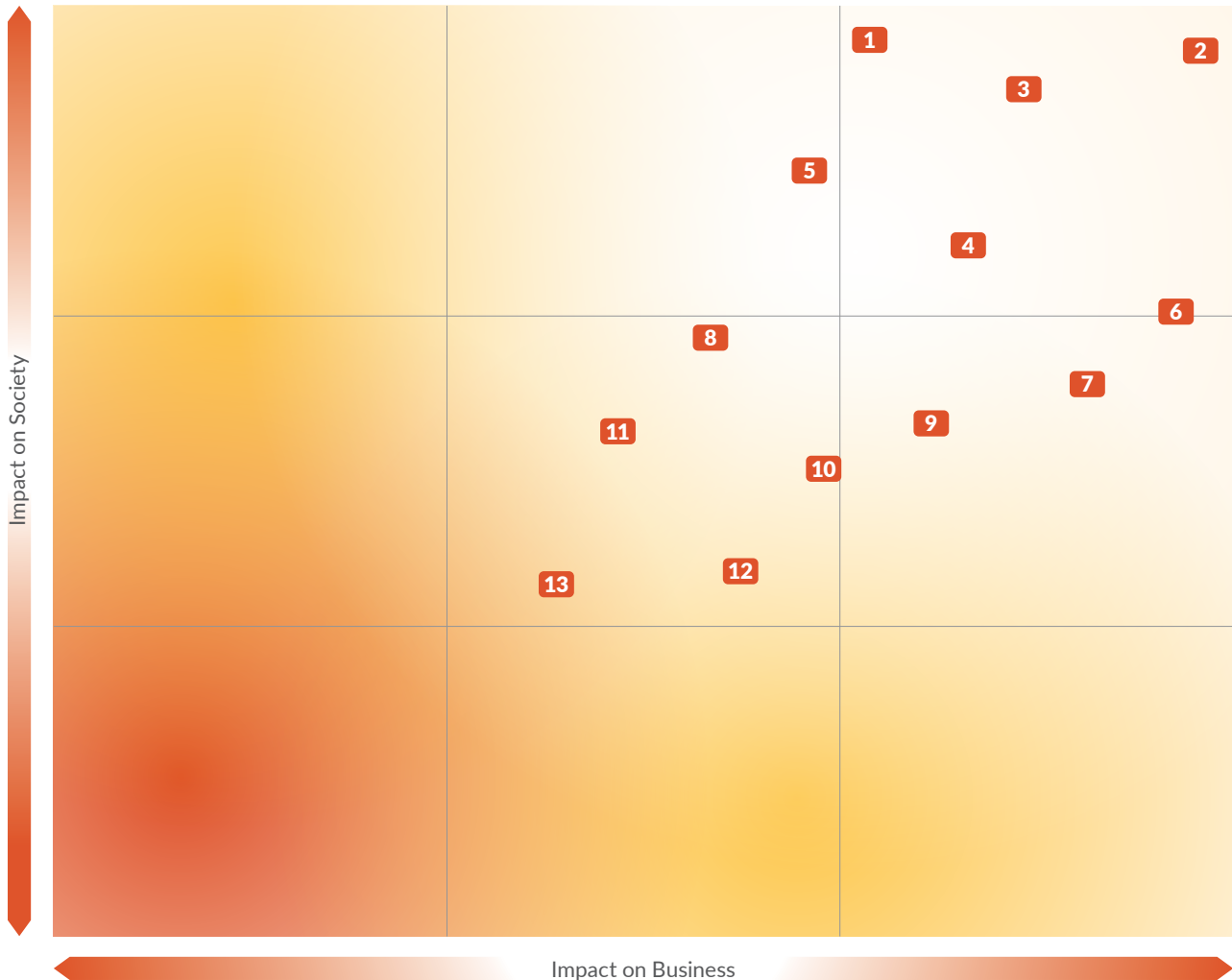


**1** Innovation Management

**2** Climate Change

**3** Environmental Impact Management

**4** Corporate Governance and Business Ethics

**5** Access to and Affordability of Medicines

**6** Cyber Security and Data Privacy

**7** Product Quality, Safety and Recall Management

**8** Human Capital Development

**9** Occupational Health and Safety

**10** Diversity, Equity and Inclusivity

**11** Sustainable Supply Chain and Responsible Procurement

**12** Social Impact through Community Engagement

**13** Ethical Clinical Trials and Animal Testing

We prioritise monitoring our performance on key material topics.

Our detailed Materiality Assessment and Management Approach is available in our FY25 Annual Report on page 96 at:
https://sunpharma.com/wp-content/uploads/2025/07/SPIL-Annual-Report-2024-25.pdf

# Product Stewardship & Access to Healthcare

## Product Stewardship & Access to Healthcare

# Product Quality & Access at the Core

Access to safe and effective medicines is crucial for universal healthcare coverage. We are committed to providing high-quality medications to patients and healthcare professionals worldwide.

With a dedicated team of over 2,900 skilled Research and Development (R&D) professionals and strategic R&D investments (comprising 6.2% of our FY25 sales), we prioritise the creation of specialty, branded generics, and generic medications across diverse therapeutic categories to enhance healthcare accessibility for our patients. Our robust distribution network, which includes distributors, stockists, and wholesalers, provides worldwide availability of medical products to patients in need.



### Patient Safety

We carry out thorough evaluations and quality assurance measures to uphold product quality standards and adhere to all regulations. Swift detection and resolution of potential health and safety risks are crucial for maintaining product quality, protecting patient safety, and fostering trust with our stakeholders[32]. We consistently evaluate the risk-benefit profile of our products by following international quality and regulatory compliance standards and closely monitoring product safety[33].

### Pharmacovigilance at Sun Pharma

Our Pharmacovigilance team takes a proactive stance on risk mitigation and product safety. Our system persistently tracks product safety and promptly responds to any adverse events[34]. The Product Safety Committee backs our Global Pharmacovigilance Policy, while the Independent Pharmacovigilance Quality Assurance team reports directly to the Chief Quality Officer.

Our pharmacovigilance team is dedicated to contingency planning and the mitigation and resolution of adverse events to improve quality control, workforce training, and patient safety. Utilising advanced IT solutions for efficient data processing, our pharmacovigilance team consists of approximately 100 skilled professionals, such as physicians and scientists. They manage Adverse Drug Reaction (ADR) cases, expedited reporting, risk management, safety signal management, and the consolidation of safety data into a centralised database for reporting to global regulatory authorities.

The Product Safety Committee supervises pharmacovigilance processes to ensure standards compliance, addresses safety issues, and establishes necessary remedial actions. Our Chief Quality Officer oversees an independent pharmacovigilance quality audit, based on a five-year strategy and annual plan. We also undergo regular inspections from regulatory bodies like the US Food and Drug Administration (US FDA), European Medicines Agency (EMA), UK Medicines and Healthcare products Regulatory Agency (UK MHRA), Health Canada (HC), Japan's Pharmaceuticals & Medical Devices Agency (PMDA), and others to ensure compliance. Further details about specific US FDA inspections can be found in our FY25 Annual Report on page 289 via the link: SPIL-Annual-Report-2024-25.pdf

# Product Stewardship & Access to Healthcare

## Product Quality

Our 'Quality Organisation Vision' is to globalise, harmonise and simplify GxP processes to ensure a sustainable quality culture. At Sun Pharma, we work towards continuous improvement of our Quality Management System, including all its elements and employ state-of-the-art electronic systems. We are building and maintaining a strong culture of quality through the ongoing development, training, and empowerment of our personnel.

We believe that producing safe and high quality products is everyone's responsibility.

We prioritise employee development, empowerment, and training to cultivate a culture that emphasises product quality. Through our 'Quality Vision,' we have developed a comprehensive quality management approach, aligning our global Quality Management System (QMS) with industry best practices and assurance processes.

Our quality standards encompass procurement, product distribution, stakeholder complaint management, investigations, and corrective and preventive actions. Our dedicated quality management team is committed to maintaining strict adherence to quality and safety standards. Our strategy emphasises sustainable quality design, data governance, process harmonisation, and the implementation of global quality metrics.

### Quality Management System (QMS)

- Global QMS
- Cross-functional implementation of QMS including R&D, quality, and operations
- Adopting best practices, tools and procedures to ensure a comprehensive end-to-end product quality

### Quality Practices

- Sustainable quality design
- Quality data governance
- Process harmonisation for enhanced compliance
- Global Quality metrics
- Sharing of internal and external learnings

### Key QMS Elements

- **Procedural Documents:** Electronic document management systems - access control, printing control, and version control
- **Deviation and Investigation Analysis:** Periodic trend analysis
- **Training:** Instructor-led and electronic learning management systems, including a focused training course on Advanced Pharmacovigilance
- **Good Documentation Practices:** Implementation of good documentation practices in line with SOPs

- **Corrective and Preventive Actions (CAPA):** Robust CAPA management for all quality events, ensuring preliminary assessment, investigation, and effective corrective & preventive actions
- **Management Review Meeting:** Sun Pharma's senior management ensures the quality system governance through periodic quality reviews

# Product Stewardship & Access to Healthcare

## Quality Assurance Process

| | | |
|---|---|---|
| Compliance with GxP and country-specific regulations | Periodic inspections by regulatory agencies at manufacturing sites ensure compliance with cGMP certification requirements | Release of input and packaging material post qualification and testing |
| Ensuring product quality through in-process testing, finished goods testing, and stability testing | Stringent compliance is ensured with specifications relevant to each market/geographical requirement. | Prevention of recurring deviations, failures, and discrepancies by recording of investigation in the QMS |
| Comprehensive QMS system, including change management, deviation, and investigation management, CAPA, adverse events management, field alert reporting, complaint management, and recall process | Periodic audits are conducted by the Company's Corporate Quality team at all manufacturing facilities, contract manufacturing sites, and vendor locations | Training of employees involved in GxP activities through modules curated for job-specific roles |

## Product Quality Complaint and Recall Management Process

Sun Pharma's Global Standard Operation Procedure (GSOP) on Product Quality Complaint management entails a meticulous approach for addressing of product quality complaints. Upon receiving a complaint, it is documented in the system and undergoes an initial evaluation.

We conduct a preliminary assessment followed by an investigation. Based on the findings and root cause analysis, we implement Corrective and Preventive Actions (CAPA) to address the identified issues. A response is then provided to the complainant, ensuring clear communication and resolution of the issue.

Our GSOP on Product Recall Management provides requirements for managing product recalls and outlines the conditions that warrant such actions. The recall process involves a Global Recall Committee reviewing recommendations from the Site Recall Committee, processing the recall proposal, issuing recall notifications, closure of the recall and trend analysis. In FY25, we had no Class-I recalls and 20 Class-II recalls, with the total value of recalled products amounting to $ 1.46 million. During the reporting year, our manufacturing facilities underwent 50 regulatory inspections by agencies such as the USFDA, UK MHRA, EMA, PMDA, among others. The USFDA conducted two inspections at our manufacturing facilities, which resulted in four Form 483 observations.

## Process of Redressal of Product Quality-related Complaints

Product Quality Complaint Receipt & Logging → Acknowledgement to Complainant → Preliminary Assessment → Initial Risk Assessment → Sample Follow-up

Investigation and Impact Assessment → CAPA & Actions, as required

Investigation and Impact Assessment → Product Recall Proposal, if required

Product Recall Proposal, if required → Complaint Summary Report → Final Risk Assessment → Response to Complainant → Closure of Product Quality Complaint

# Product Stewardship & Access to Healthcare

I  II  III  **IV**  V  VI  VII  VIII  IX

## Responsible Product Stewardship

At Sun Pharma, we are dedicated to responsible product stewardship, maintaining the highest ethical standards throughout a product's lifecycle, from development and manufacturing to labelling and disposal.[35]

### Ease of Access to Products

We strive to enhance the accessibility of our products across global markets, reaching both urban and rural areas. Our distribution network, including retailers, distributors, wholesalers, and carrying & forwarding agencies (CNFs)—ensures our products are available to patients worldwide.

### Product Labelling and Information

As part of our commitment to responsible product stewardship, we strictly comply with regulations concerning product labelling and information, including details on pharmacokinetics, safe usage, composition, clinical pharmacology, drug interactions, side effects, and storage requirements.[36]

In FY25, there were no incidents of noncompliance with various regulations that resulted in fines, penalties, warnings, or breaches of voluntary codes.[37]

### Responsible Product Disposal

We adhere to local safety and environmental protocols for the proper disposal of returned or recalled products, ensuring that we meet all applicable laws and regional standards. Additionally, we meticulously document the quantities of disposed products and their corresponding destruction dates.

## Foundational Pillars of Product Stewardship

**Imperative**

- Enhanced product quality and safety profile
- Increased transparency and trust among stakeholders
- Augment the culture of innovation across the organisation
- Ensure prompt evaluation and redressal of product queries/complaints

**Cornerstones**

- Established Quality Vision, Quality, Compliance, and Pharmacovigilance Management System
- Seamless and strategic Quality Assurance Process
- A global QMS integrated with industry-leading practices

**Strategic Enablers**

- A well-established global pharmacovigilance policy
- A highly capable global pharmacovigilance and quality team
- Product Safety Committee

**Aspirations**

- Continue to ensure ethical use of products
- Raise awareness about the proper use and disposal of our products

[35]GRI 3-3 | [36]GRI 417-1 | [37]GRI 417-2 & 417-3

# Product Stewardship & Access to Healthcare

I  II  III  **IV**  V  VI  VII  VIII  IX

## Anti-counterfeit Measures

### Awareness and Processes

We are dedicated to increasing awareness about the dangers of counterfeit medicines in impacted markets by implementing a robust anti-counterfeit governance management system. We have formed a specialised task force to address these threats and enhance safety. This task force ensures continuous monitoring of counterfeit medicines, utilising our track and trace technology and complaint management system to bolster safety and security measures.

### Governance Mechanism

We ensure that our trademark and learning and development (L&D) teams deliver thorough training to our entire field force on identifying and reporting counterfeit medicines. Additionally, we have established a specialised task force consisting of experienced senior field personnel who receive targeted training to detect counterfeit medications. This task force is supported by a well-prepared field team that aids in the identification and reporting of such products. Our process is closely linked with key performance indicators (KPIs) to effectively measure and enhance the efficiency of our efforts.

### Management System

We have implemented a robust feedback mechanism to receive complaints from both complainants and marketing representatives, ensuring prompt reporting of issues and queries related to counterfeit products to the appropriate regulatory authorities. Our track and trace technology plays a crucial role in detecting and preventing the sale of counterfeit items. To further combat counterfeiting, we are enhancing our product packaging to make it easier for consumers to distinguish between genuine and fake medicines, continually working towards standardised and unique designs that reduce the risk of counterfeits. Additionally, a well-established complaint management system is in place to efficiently handle suspected cases of counterfeit products.

## Innovation and Research & Development

Our expertise in Research and Development (R&D) underscores our commitment to creating innovative, safe, and effective products that address the global unmet medical needs of patients. Supported by a dedicated team of over 2,900 R&D professionals, along with our advanced chemistry and technological skills, we are able to develop a robust pipeline of specialty and complex generic products. Our R&D capabilities cover a broad range of dosage forms, including injectables, oral medications, liquids, ointments, gels, sprays, hormones, and oral products. Our R&D centres are regularly audited by various international regulatory authorities to ensure compliance with stringent quality and regulatory standards. Furthermore, we collaborate with academic institutions and industry experts to further enhance our R&D capabilities.

## R&D Investments (in ₹ Billion)

| FY22 | FY23 | FY24 | FY25 |
|------|------|------|------|
| 22.2 | 23.7 | 31.8 | 32.5 |
| 5.8 | 5.5 | 6.7 | 6.2 |
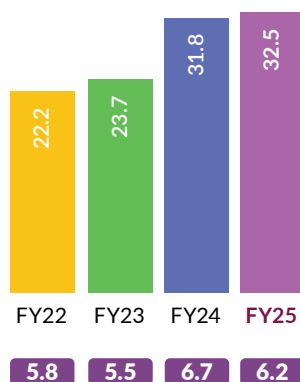
● R&D investments (% of sales)

## Intellectual Property

Our intellectual property team is skilled in chemistry, analytical techniques, dosage forms, and global patent practices. As of March 31, 2025, our patent portfolio includes 3,229 filed patents and 2,459 granted patents, demonstrating our steadfast dedication to innovation and the integration of cutting-edge science.

### FY25 R&D Highlights

₹**32.5** Bn
Overall R&D investments

~**280**
Product dossiers developed and filed globally

**1,300+**
Molecules in our global portfolio across multiple geographies

# Product Stewardship & Access to Healthcare

## Our R&D Approach and Capabilities

### Enablers

- Significant investments in R&D with a focus on developing specialty, complex generics, APIs, and process improvement.

- Dedicated R&D team of 2,900+ professionals with state-of-the-art R&D infrastructure.

- Compliant with global regulatory standards for maintaining high-quality.

- Aim to create new technologies such as using green reagents in API synthesis, applying Process Analytical Technology (PAT) tools, and executing advanced processing techniques.

- Comprehensive product life cycle management with backward integration for key products.

- Enhancing operational efficiency using Quality by Design (QbD) framework and Six Sigma methodologies.

- Development of innovative compact dosage forms with enhanced stability and decreased pharmacokinetic variability.

- Expansion of product portfolio to cater to the evolving needs of patients.

### Capabilities

- Capability to develop various dosage such as orals, liquids, ointments, gels, sprays, and injectables.

- Biological capabilities, chemistry skills, and new drug development capabilities.

- Capability to develop non-infringing formulations and specialty/complex products.

- Broad product portfolio covering multiple therapeutic segments catering to diverse patient needs.

- Competencies to undertake clinical studies for specialty products and complex generics.

### Ambitions

- Targeted investments to expand the specialty pipeline.

- Focus on developing complex generics.

- Growing focus on developing the R&D pipeline for Emerging Markets and India.

- Improved efforts in developing strategically important APIs.

- Collaborate with academia and industry experts to enhance our R&D capabilities.

## Our Specialty R&D Pipeline (as of November 2025)

| Product/ Molecule | Mechanism of Action | Indication | Pre-clinical | Phase 1 | Phase 2 | Phase 3 | Registration/ Approval |
|---|---|---|---|---|---|---|---|
| unloxcyt | anti-PD-LI | Metastatic cutaneous squamous cell carcinoma (CSCC) or locally advanced cSCC | ←——————————————————————→ | | | | |
| Nidlegy™ | Immunocytokines | Melanoma & non-melanoma skin cancers | ←————————————————→ | | | | |
| Ilumya | IL-23 Antagonist | Psoriatic arthritis | ←————————————————→ | | | | |
| Fibromun | Innovative anti-cancer immunotherapy | Soft tissue sarcoma | ←——————————→ | | | | |
| | | Glioblastoma | ←————————→ | | | | |
| MM-II | Liposomal intra-articular lubrication | Pain in osteoarthritis | ←——————————————→ | | | | |
| GL0034 | GLP-IR Agonist | Type 2 diabetes | ←————————→ | | | | |

Note - All candidates for global markets except Nidlegy™ where Sun is commercial partner for Europe, Australia & New Zealand. Nidlegy™ is a trademark of Philogen

# Product Stewardship & Access to Healthcare

## Reducing Environmental Impact through 'Green Chemistry'

The pharmaceutical industry is adopting a benign-by-design approach, employing non-toxic methods/tools/techniques/solvents for sustainable product development. Our R&D teams continuously innovate to minimise our products' ecological footprint through 'Green Chemistry' approaches.

## Steps Taken to Reduce Environmental Impact

**Measures to Minimise Environmental Impact**

- Switching from organic solvent to water
- Solvent-free processing
- Reducing solvent use in high-volume product
- Enhancing processes for energy-efficient manufacturing
- Using Biocatalyst
- Using green chemistry to cut hazardous waste

## Innovation and Technology

# Leveraging Technology for Sustainable Operations

Our focus on innovation and technology empowers us to improve safety standards, increase therapeutic effectiveness, optimise workflows, advance technical capabilities, and ensure economic sustainability. To foster innovation and drive sustained business growth, a dedicated Centre of Excellence (CoE) has been established to support essential organisational functions such as R&D, quality assurance, finance, manufacturing, HR, and supply chain operations.

Decisions regarding technological integration are made collaboratively, considering proof of concept and business case approvals. Technology guidelines have been set to ensure effective project execution, aligning with global standards such as the Information Security Management System (ISMS) and the Information Technology Infrastructure Library (ITIL).

The Corporate Technology team has formulated an IT innovation and technology roadmap, while each department dedicates an annual budget to safeguard information security.

This budget factors in the current hardware landscape, ongoing initiatives, new projects, and external influences affecting information security.

Through targeted investments in advanced technologies, we've improved the availability of medicines around the world. There is a strong emphasis on strict compliance with global safety standards, alongside a continuous commitment to ensuring the quality of a diverse product portfolio.[38] In FY25, no information security or data privacy incidents were recorded.[39]

## Our Approach to Information Security

At Sun Pharma, we have a robust monitoring system for information security in order to enhance data and information reliability and protection.

### Continuous Awareness and Training

We enhance information security awareness through simulation-based learning for all employees.

### 24/7 Threat Monitoring

Our around-the-clock monitoring systems are designed to detect and address threats as part of our Managed Detect and Respond protocols.

### Information Security Management System (ISMS)

We apply Information Security Management System (ISMS) protocols, Global Standard Operating Procedures (GSOPs), and Defence-in-depth strategies.

### Transition to Zero-trust Security

We aim to advance towards a zero-trust-based security infrastructure, enhancing our security posture with comprehensive training and controls.

### Standard Operating Procedures (SOPs)

We implement Standard Operating Procedures (SOPs) globally for consistent data management across all locations.

### Adherence to Industry Standards

We follow best practices aligned with the National Institute of Standards and Technology (NIST) and ISO 27001:2013 to effectively manage information security risks.

# Innovation and Technology

I II III IV V VI VII VIII IX

## Information Security Governance

At Sun Pharma, we uphold a strong governance structure to manage information security concerns, risks, and resilience. Our Risk Management Committee at the Board level supervises the governance processes and practices related to information security. We also have designated a Chief Information Security Officer (CISO) who holds direct responsibility for overseeing all cybersecurity matters throughout our operations.

## Information Security Policy

Our Information Security Policy offers guidance and support to ensure the implementation and upkeep of standards for safeguarding our information systems. Through this Policy, we

- Consistently advance information security systems

- Ensure data integrity and protection

- Oversee and address information security threats

- Define personal accountability for information security across the entire workforce

### Our Compliance with Global Data Integrity and Security Standards:

Compliance with USFDA data integrity and cGMP standards

Complying with Information Security Management System standards using ISO 27001 as a guidance

Following PDA Report 80 for creating a data integrity management system in our laboratories

Adhering to data protection regulations to safeguard personal data at operational locations



## Our Focus on Data Integrity and Security

### Policy Enforcement and Training

We enforce stringent policies and processes, bolstered by information security awareness training, to uphold data security and integrity throughout the organisation.

### Data Integrity and Security Segmentation

We tackle data integrity and security challenges by categorising them into three primary areas: cyber-attacks, insider threats, and manufacturing process integrity.

### Comprehensive Defence Strategies

We employ a variety of strategies to mitigate cyber-attack risks, including a 24/7 Security Operations Centre (SOC), threat intelligence governance services, and collaboration with security experts.

### Incident Management Alignment

We align our Incident Management Policy with ISO 27001 standards to ensure our response protocols are effective.

### Coordinated Investigations

We deploy data leakage prevention tools to mitigate insider threats, conducting further investigations in collaboration with business and HR functions.

### Standard Operating Procedures (SOPs) Implementation

We implement globally benchmarked Standard Operating Procedures (SOPs) for manufacturing operations, emphasising root cause analysis and information security risk assessment.

# Sustainable Supply Chain

## Sustainable Supply Chain

I  II  III  IV  **V**  VI  VII  VIII  IX
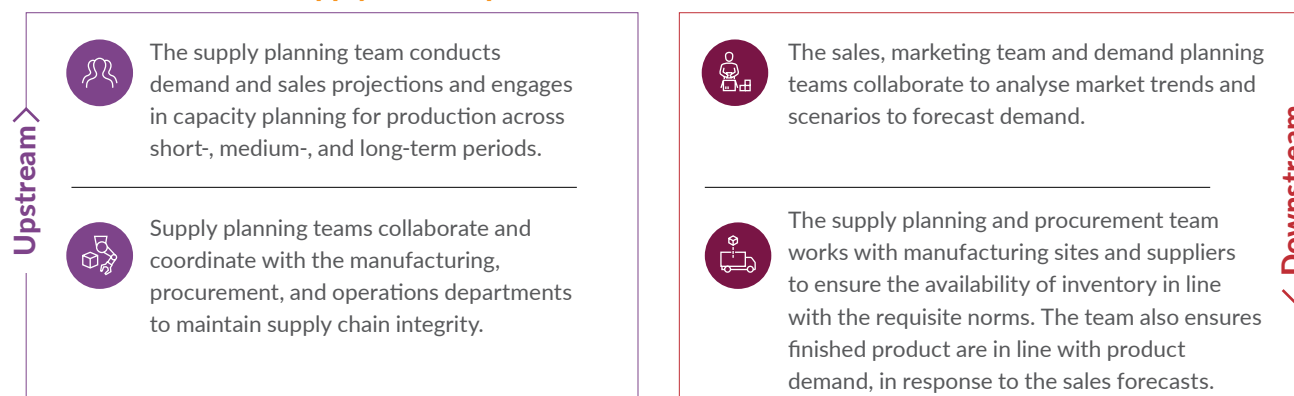
# Focus on Responsible Supply Chain

Recognising that product accessibility underpins sustainable value creation, we have implemented a comprehensive supply chain management framework. This system seamlessly combines logistics, procurement, production planning, and inventory control to ensure operational excellence and reliability throughout the organisation. Our supply chain management system works diligently to ensure that we manufacture and supply products in line with market demand.[40]

To ensure efficiency and effectiveness, our procurement and supply chain policies, systems, and processes are regularly reviewed under the guidance of senior management. These evaluations aim to align our operations with industry best practices and strategic objectives, enabling the identification of areas for improvement and enhancement of overall processes. Our cross-functional approach to supply chain management reflects our commitment to sustainability and patient well-being. By optimising resource utilisation, reducing waste, and streamlining operations, we ensure the timely and reliable delivery of medicines. In FY25, our supply chain remained stable with no significant changes or modifications.

### Supply Chain Approach – Foundational Pillars

| Procurement | Planning and Inventory Management | Distribution, Logistics & Finished Goods Delivery |
|---|---|---|
| Our procurement team plays a critical role in maintaining an uninterrupted supply of raw materials, as well as primary and secondary packaging components and finished formulations. This proactive approach supports the consistent development and production of APIs and formulations, ensuring their availability in key markets and contributing to our broader sustainability and healthcare access goals. | Our integrated management system leverages Distribution Requirement Planning (DRP), Market Requirement Planning (MRP), and other advanced planning tools to accurately assess inventory needs and efficiently manage supply chain operations. This data-driven approach enhances responsiveness, reduces waste, and supports sustainable delivery of products to the markets we serve. | Our distribution and logistics team works in close coordination with the supply chain function to ensure the timely and efficient delivery of finished goods and services. This collaborative approach strengthens our ability to meet market demands reliably, supporting our commitment to operational excellence and patient access. |

### An Overview of Our Supply Chain Operations[41]

**Upstream**

The supply planning team conducts demand and sales projections and engages in capacity planning for production across short-, medium-, and long-term periods.

Supply planning teams collaborate and coordinate with the manufacturing, procurement, and operations departments to maintain supply chain integrity.

**Downstream**

The sales, marketing team and demand planning teams collaborate to analyse market trends and scenarios to forecast demand.

The supply planning and procurement team works with manufacturing sites and suppliers to ensure the availability of inventory in line with the requisite norms. The team also ensures finished product are in line with product demand, in response to the sales forecasts.

[40]GRI 3-3 | [41]GRI 2-6

# Sustainable Supply Chain

## Effective Supply Chain Monitoring

At Sun Pharma, we have implemented a comprehensive monitoring framework within our supply chain operations to proactively identify, assess, and mitigate potential risks. Guided by structured principles and detailed checklists, this systematic approach enables us to evaluate vulnerabilities and develop targeted strategies to address emerging challenges. This reinforces our commitment to resilient, sustainable, and secure supply chain practices.

We conduct regular evaluations of our vendors as part of this monitoring process, ensuring all critical suppliers undergo Critical Quality Attributes (CQA) audits every three years. We screen our vendors to evaluate their compliance with a broad range of ESG indicators, which include legal compliance, safety standards, respect for human rights, labour practices, working conditions, and environmental sustainability.

To reinforce our commitment to ESG principles across our business operations, we have established a Supplier & Third-Party Code of Conduct, expecting all third-party vendors, suppliers, and business partners to adhere to the principles outlined in this code.

## Initiatives

- Conduct systematic reviews of suppliers in accordance with established guidelines.

- Source essential materials from a diverse range of suppliers.

- Periodically review compliance management practices and contract performance.

- Assess new suppliers through regular audits, ensuring alignment

with the CQA policy, Supplier & Third-Party Code of Conduct, internal quality standards, ESG parameters, and relevant regulations.

- The Strategic Procurement Committee identifies and prioritises significant risks and implements mitigation strategies.

- Conduct ESG-focused capacity-building for internal stakeholders.

## Local Sourcing

We strive to source locally whenever possible to support and strengthen local businesses. For Sun Pharmaceutical Industries Limited (SPIL) as a standalone entity, local suppliers represented 73% of our procurement.[42]

Utilising local sourcing reduces currency risk by decreasing reliance on imports and encourages collaboration. It aids in the expansion of regional industries and economies, and partnering with local vendors helps generate job opportunities. Moreover, a key advantage of local sourcing is its positive environmental impact; shorter transportation routes lead to reduced carbon emissions from long-haul transport, thereby lowering our environmental footprint.

[42]GRI 204-1

# Environmental Stewardship

# Environmental Stewardship

I  II  III  IV  V  **VI**  VII  VIII  IX

# Driving Sustainable Impact through Responsible Environmental Initiatives

Environmental sustainability is integral to our corporate strategy and a defining strategic priority. We pursue targeted actions to reduce the environmental footprint of our operations and focus on preventing and mitigating adverse impacts.
We are committed to safeguarding natural resources and use our reach across the value chain to catalyse progress toward a more sustainable future.

Our approach aligns with the UN Sustainable Development Goals, specifically:

## Environmental Performance FY25

At Sun Pharma, improving environmental performance is a core priority across our global manufacturing network and R&D centres. To reduce our footprint and create measurable positive outcomes, we have set clear, time-bound objectives spanning energy and emissions, water, waste and circularity.

| | **Energy Efficiency and Carbon Emissions**[43] | **Water Stewardship** | **Waste Management** |
|---|---|---|---|
| **Target** | Reduction of **35%** in absolute carbon emissions (Scope 1 and Scope 2) by 2030 (baseline year of 2020) | Reduction of **10%** in water consumption by 2025 (baseline year of 2020) | Co-processing of **30%** hazardous waste by 2025 |
| **Highlights** | • **1,662,767 GJ** total energy sourced from Renewable Sources in FY25<br>• Replacement of fossil fuel with biomass, **710,348 GJ** of energy sourced from biomass<br>• Six sites and one office **ISO 50001:2018** certified | • Continued focus on **4Rs - Reduce, Reuse, Recycle, and Recharge** for water conservation<br>• **Reduced dependency on groundwater** by using alternative sources | • **37%** Hazardous waste diverted from disposal, by using recycling and other recovery options<br>• **96%** Non-hazardous waste diverted from disposal by using recycling and other recovery options |
| **Achievements** | • **21%** Reduction in absolute carbon emissions (Scope 1 and Scope 2) compared to baseline year 2020<br>• **37%** Reduction in energy intensity compared to baseline year 2020<br>• **48%** Reduction in GHG intensity (Scope 1 and Scope 2) compared to baseline year 2020<br>• **41%** Energy sourced from renewable sources | • **25%** Reduction in water consumption compared to baseline year 2020<br>• **51%** Reduction in water intensity compared to baseline year 2020 | • **27%** hazardous waste Co-processed |

[43]GRI 302-4

# Environmental Stewardship

## Environmental Governance Framework

Our environmental governance framework consists of a comprehensive Environment, Health, and Safety (EHS) Policy, supported by a structured EHS Management System and Energy Management System. These frameworks enable us to achieve our goals of reducing carbon emissions, water consumption, and waste generation.

Regular internal and external audits and inspections ensure compliance with applicable EHS standards and regulations. Additionally, comprehensive emergency response plans are in place across all sites to enable swift and effective action in the event of accidents or EHS-related incidents, reinforcing our commitment to workplace safety and environmental stewardship.

Our EHS Management System is aligned with the ISO 14001:2015 framework. As of FY25, 18 sites have been certified with ISO 14001: 2015, 7 sites have been third-party certified, and all other sites have been internally audited for their EHS management systems. Six of our manufacturing facilities have also been certified with ISO 50001:2018.

We are committed to strictly complying with all relevant local, state, and national regulatory requirements, prioritising the identification and reduction of potential or actual risks from non-compliance. In FY25, there were no instances of environmental non-compliance.[44]

Our employees play a crucial role in achieving our environmental goals. To support this, we have established various engagement forums to raise awareness and promote sustainable practices. These platforms help employees identify and address risks, assess and reduce environmental impact, and advocate workplace safety. Additionally, we also conduct periodic EHS training programmes for our employees to enhance responsible and environmentally conscious behaviours.

Aligned with our Enterprise Risk Management (ERM) framework's strategic approach, we recognise that environmental impact and climate change both pose risks as well as opportunities for our operations. To address this, we have integrated various mitigation strategies and environmental enhancements across our manufacturing facilities.

## Our EHS Governance Framework

Our EHS Governance Enablers

- EHS Policy
- Global EHS Standards
- Our Value System

EHS governance structure overlooking the line function responsibility

- Global Operation Head
- Regional Operation Head
- Cluster EHS Heads
- Site EHS Leaders for each Location
- Site-level Department Head and responsible Area Manager
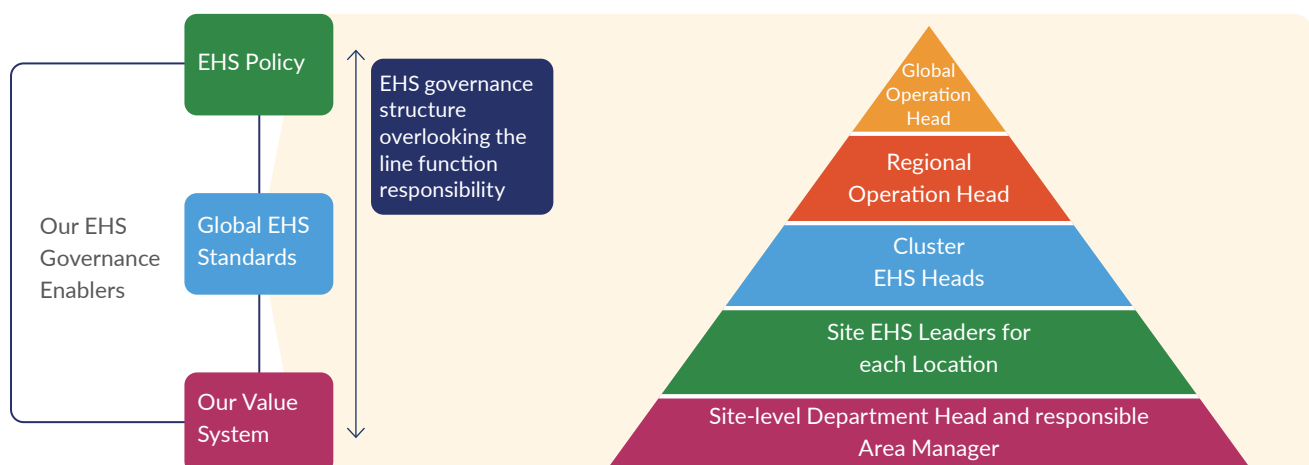
[44]GRI 2-27

# Environmental Stewardship

## Our Climate-smart Vision

We are committed to supporting India's Nationally Determined Contributions (NDCs) and have embedded climate action into our strategic priorities. Our climate change strategy focuses on enhancing energy efficiency, increasing the share of renewable energy, managing greenhouse gas emissions, improving waste and water management, advancing R&D for sustainable products and processes, and optimising resource utilisation through digital technologies. These efforts reflect our dedication to environmental stewardship and long-term sustainability.

We aim to reduce our Scope 1 and Scope 2 carbon emissions by 35% by 2030, considering 2020 as our baseline, through energy efficiency and clean energy investments. Additionally, we have committed to achieving Net Zero status by 2050.

In alignment with our commitment to climate resilience, we have identified both physical and transition risks associated with climate change, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We will be developing targeted mitigation strategies to enhance resilience against various climate risks.

## Energy Efficiency

At Sun Pharma, we are dedicated to enhancing energy efficiency by promoting energy conservation across all our operations. Understanding the direct link between energy consumption—particularly fossil fuels—and greenhouse gas emissions, we have adopted a three-pronged strategy: monitor, minimise, and decarbonise. This approach enables us to track energy usage, reduce our carbon footprint, and transition towards cleaner, more sustainable energy sources.



## Our Approach Towards Energy Management

### Monitor
Monitor energy usage trends, set benchmarks, and create action plans to meet our targets.

### Minimise
Minimise reliance on energy-intensive sources by using energy-efficient methods and recover waste heat for further utilisation.

### Decarbonise
Reduce our carbon footprint by adopting cleaner fuel alternatives and shifting to renewable energy.

# Environmental Stewardship

I  II  III  IV  V  **VI**  VII  VIII  IX

## Monitor

We monitor and verify energy consumption across our sites at both equipment and plant levels through internal and external energy audits. It helps in analysing consumption patterns and deviations, forecasting future demand, setting reduction goals, and evaluating the success of energy-saving initiatives.

These efforts have significantly contributed to reducing carbon emissions and advancing our organisation's decarbonisation goals. The data below shows trends in our annual energy usage over the past four years, highlighting a consistent decline in non-renewable energy and reduced energy intensity.

**Energy Consumption (in GJ)[45]**

### Energy Consumption from Non-renewable Sources

| Year | Value |
|------|-------|
| **FY25** | **2,389,513** |
| FY24 | 2,481,939 |
| FY23 | 2,936,517 |
| FY22 | 3,020,730 |

### Energy Consumption from Renewable Sources

| Year | Value |
|------|-------|
| **FY25** | **1,662,767** |
| FY24 | 1,520,492 |
| FY23 | 1,376,682 |
| FY22 | 1,383,094 |

### Total Energy Consumption

| Year | Value |
|------|-------|
| **FY25** | **4,052,280** |
| FY24 | 4,002,431 |
| FY23 | 4,313,199 |
| FY22 | 4,403,824 |

### Total Energy Consumption Intensity (GJ/Revenue in ₹ Million)[46]

| Year | Value |
|------|-------|
| **FY25** | **11.76** |
| FY24 | 12.68 |
| FY23 | 15.04 |
| FY22 | 16.81 |

## Energy Consumption Breakup (in GJ)

| | FY22 | FY23 | FY24 | FY25 |
|------|-------|-------|-------|-------|
| Electricity consumption | 2,026,117 | 2,065,568 | 2,023,721 | 2,077,548 |
| Steam consumption | 771,970 | 698,069 | 681,452 | 632,766 |
| Fuel consumption | 1,605,739 | 1,549,563 | 1,297,259 | 1,341,967 |

● Electricity consumption   ● Steam consumption   ● Fuel consumption

[45]GRI 3-3 & 302-1 | [46]GRI 302-3

# Environmental Stewardship

I  II  III  IV  V  **VI**  VII  VIII  IX



**Total Energy Mix (in %)**

## Energy from Renewable Sources (%)

FY22: 31
FY23: 32
FY24: 38
FY25: 41

## Total Renewable Energy Mix in FY25 (%)



- 42.72
- 36.14
- 21.14
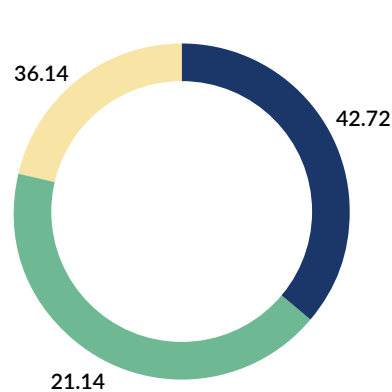
● Biomass
● Captive solar (Solar Rooftop, Wind, Hybrid, Renewable power purchase)
● Steam purchased (Renewable based)

## Total Non-Renewable Energy Mix in FY25 (%)



- 3.56
- 1.33
- 3.06
- 19.82
- 72.23
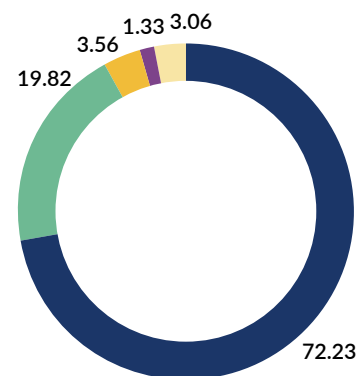
● Grid electricity
● Compressed natural gas (CNG)
● High speed diesel (HSD)
● Steam purchased (Coal based)
● Other Sources (Furnace Oil, Petrol, LPG, Light Diesel Oil, Coal)

## Energy from Non-renewable Sources (%)

FY22: 69
FY23: 68
FY24: 62
FY25: 59

# Environmental Stewardship

## Minimise and Decarbonise

We are committed to integrating renewable energy solutions into our operations to reduce carbon emissions and decrease dependence on fossil fuels. This transition supports our broader climate strategy and reflects our dedication to building a low-carbon, sustainable future. In FY25, targeted efficiency upgrades and clean energy investments enabled us to phase down high-speed diesel, furnace oil, and coal usage by shifting portions of our energy mix to carbon-neutral sources.

### Energy-efficiency Measures[47]

- Installed heat pumps for hot water generation, reducing reliance on steam systems and associated energy use.
- Installed HVAC systems with high-efficiency blowers.
- Replaced chillers with high-efficiency models integrated with smart control systems.
- Converted electric motors to IE3 high efficiency standards.

- Implemented demand side compressed air management to optimise compressor loading.
- Deployed energy-efficient dryers to lower power consumption.
- Rolled out LED lighting with occupancy/motion sensors to avoid unnecessary use.
- Enhanced condensate recovery, resulting in fuel and water savings across multiple sites.

- Replaced old pumps with high-efficiency alternatives.
- Fitted variable frequency drives (VFDs) on motors for part load optimisation.
- Introduced automatic tube cleaning systems on chillers to sustain performance and reduce energy use.

In FY25, the energy consumption intensity has reduced to 11.76 GJ per million rupees of turnover as compared to 12.68 GJ per million rupees of turnover in FY24. We reduced energy consumption intensity by 0.92 GJ per million rupees in turnover (7% reduction) compared to the previous financial year through targeted energy efficiency measures.

We also continue to focus on a decarbonisation strategy by adopting alternative energy sources and reducing reliance on fossil fuels.

### Renewable Energy Measures:

- Commissioned a captive hybrid power plant (wind+solar) to partially meet the energy needs of facilities in Gujarat.
- Installed a captive solar plant at the Dewas site to meet a portion of the energy demand.
- Utilised captive windmills at Maduranthakam (MKM) site to supplement energy demand.
- Expanded rooftop solar capacity at Mohali, Paonta Sahib, Sikkim, Guwahati, Romania, and Baddi manufacturing sites, and at Basma warehouse, in addition to the prior installations at Halol, Baska, Gurgaon, Dadra, and Vadodara.
- Implemented fuel substitution at most sites, replacing boiler fuels such as furnace oil and high-speed diesel with renewable biomass briquettes for steam generation, supporting our shift toward cleaner energy sources.



[47]GRI 302-4 and 305-5

# Environmental Stewardship

I  II  III  IV  V  **VI**  VII  VIII  IX

## Emissions Management[48]

### Scope 1 GHG Emissions[49]

We monitor and disclose emissions resulting from the use of non-renewable fuels such as diesel, furnace oil, petrol, CNG, LPG, LDO, and coal across our operations. Over the past four years, we have achieved notable reductions in both absolute Scope 1 emissions and their intensity. These improvements reflect our ongoing commitment to transparency, climate responsibility, and continuous environmental performance enhancement.

## Scope 1 Emissions (tCO$_2$e)

| Year | Value |
|------|-------|
| FY25 | 38,729 |
| FY24 | 45,606 |
| FY23 | 67,203 |
| FY22 | 75,970 |

## Emission Intensity for Scope 1 [tCO$_2$e/revenue (in ₹ Mn)]

| Year | Value |
|------|-------|
| FY25 | 0.11 |
| FY24 | 0.14 |
| FY23 | 0.23 |
| FY22 | 0.29 |

### Scope 2 GHG Emissions[50]

We monitor and report emissions associated with electricity purchased from the grid, contributing to our Scope 2 emissions profile. Over the past four years, we have achieved a consistent decline in Scope 2 emissions intensity, reflecting our commitment to energy efficiency and climate-conscious operations.

## Scope 2 Emissions (tCO$_2$e)

| Year | Value |
|------|-------|
| FY25 | 319,559 |
| FY24 | 323,237 |
| FY23 | 352,678 |
| FY22 | 343,236 |

## Emission Intensity for Scope 2 [tCO$_2$e/revenue (in ₹ Mn)]

| Year | Value |
|------|-------|
| FY25 | 0.93 |
| FY24 | 1.02 |
| FY23 | 1.23 |
| FY22 | 1.31 |

## Scope 1+2 Emissions (tCO$_2$e)

| Year | Value |
|------|-------|
| FY25 | 358,288 |
| FY24 | 368,843 |
| FY23 | 419,881 |
| FY22 | 419,206 |

## Scope 1+2 Emissions Intensity [tCO$_2$e/revenue (in ₹ Mn)]

| Year | Value |
|------|-------|
| FY25 | 1.04 |
| FY24 | 1.16 |
| FY23 | 1.46 |
| FY22 | 1.60 |

Our total biogenic emissions in FY25 were 79,561.85 tCO$_2$e.

[48]GRI 3-3 | [49]GRI 305-1 and 305-4 | [50]GRI 305-2 and 305-4

# Environmental Stewardship

I II III IV V **VI** VII VIII IX

## Scope 3 GHG Emissions[51]

We monitor and disclose Scope 3 emissions across seven categories in line with the GHG Protocol. Purchased goods and services account for the largest share of our Scope 3 footprint, with additional categories covering business travel, fuel and energy-related activities, upstream and downstream transportation and distribution, employee commuting, and waste generated in our operations.

## Scope 3 Emissions (tCO$_2$e)

| Source | FY24 (tCO$_2$e) | FY25 (tCO$_2$e) |
|---|---|---|
| **Purchased goods and services** | 236,932 | 115,140 |
| **Fuel- and energy-related activities (not included in Scope 1 or Scope 2)** | 87,270 | 92,466 |
| **Employee commute** | 16,412 | 16,537 |
| **Business travel** | 4,443 | 4,714 |
| **Upstream** | 4,242 | 5,574 |
| **Downstream** | 24,012 | 38,446 |
| **Waste generated in operations** | 6,477 | 7,444 |
| **Total** | **379,788** | **280,319** |

Monitoring Scope 3 emissions enables us to collaborate across our value chain, raise awareness among suppliers and partners, and encourage the adoption of more sustainable practices.

## Emission of Ozone-Depleting Substances (ODS)[52]

In alignment with the Montreal Protocol, we are systematically phasing out equipment that has a high ozone depletion impact and transitioning to alternative technologies that use refrigerants with zero or minimal ozone depletion potential. To comply with international standards and adopt best practices, we have replaced R-22 with environmentally safer substitutes such as R-134a and R-404a across our operations. Our ODS emissions primarily originate from refrigerants used in air conditioning and chiller plants. During the reporting year, the total recharge of ODS was 0.441 metric tonnes in CFC-11 equivalent.

## Other Air Emissions[53]

We continuously monitor air emissions, including sulphur oxides (SOx), nitrogen oxides (NOx), and particulate matter (PM), to ensure levels remain within the limits prescribed by the Central and State Pollution Control Boards.

## Stack Emissions (MT)

| | PM | SOx | NOx |
|---|---|---|---|
| FY25 | 159 | 118 | 147 |
| FY24 | 181 | 125 | 234 |
| FY23 | 171 | 148 | 170 |

● PM  ● SOx  ● NOx
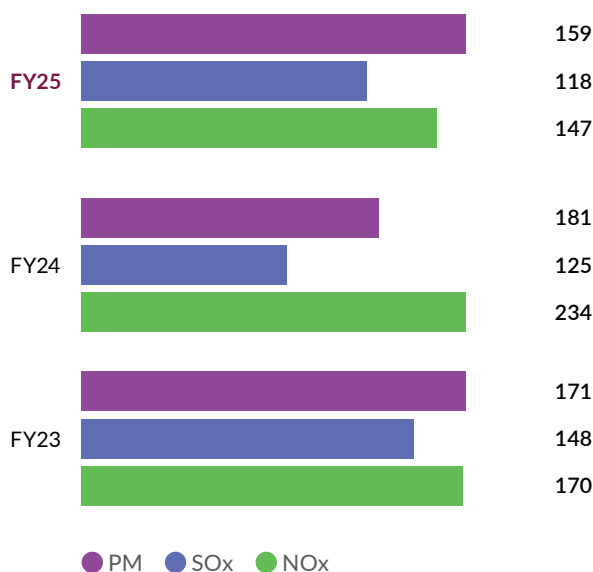
[51]GRI 305-3 | [52]GRI 305-6 | [53]GRI 305-7

# Environmental Stewardship

## Waste Management[54]

Our waste management strategy focuses on preventing and reducing waste at source through site-specific action plans, continuous monitoring, and resource optimisation. We set quantified targets, including our commitment to co-process 30% of hazardous waste by 2025; in FY25, we achieved 27% co-processing of hazardous waste.

As part of our digitalisation efforts, we are reducing paper use across operations and have implemented the Equipment Qualification and Validation Life Cycle Management System (EQVLMS), replacing manual, paper-based archiving with a secure online repository. Regular internal audits identify improvement opportunities and track performance against targets.

## Type of Waste Generated (MT)[55]

| Year | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|
| Hazardous Waste[56] | 29,786.86 | 32,033.46 | 32,353.58 | 33,306.74 |
| Non-hazardous Waste[57] | 21,471.00 | 21,431.22 | 19,817.99 | 23,470.28 |
| E-Waste | 9.35 | 9.51 | 19.53 | 15.38 |
| Total Waste Generated | 51,267.21 | 53,474.19 | 52,191.10 | 56,792.40 |

To minimise landfill disposal, we prioritise recycling and co-processing and continue to divert hazardous streams away from incineration and landfilling wherever feasible. We are implementing measures to reduce manufacturing rejects in line with our resource optimisation goals. In compliance with Extended Producer Responsibility (EPR), we partner with authorised third-party handlers to ensure effective collection and management of end-of-use plastic waste in accordance with Pollution Control Board guidelines. Additionally, a few of our manufacturing sites have been certified as Zero Waste to Landfill by an external accreditation agency, and we plan to extend this certification to the remaining sites over the coming years.

We are building a culture of responsible waste management through regular awareness and training on the 3Rs - Reduce, Reuse, and Recycle.

## Waste Diverted from Disposal (MT)[58]

| Categories | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|
| **Hazardous waste** | | | | |
| Reuse | 0 | 0 | 0 | 36.78 |
| Recycling | 15,445.71 | 15,448.30 | 16,021.95 | 12,369.23 |
| Other recovery options | 0 | 0 | 13.18 | 23.59 |
| Total | 15,445.71 | 15,448.30 | 16,035.13 | 12,429.59 |
| **Non-hazardous waste** | | | | |
| Reuse | 1.92 | 3.08 | 463.59 | 423.79 |
| Recycling | 20,113.92 | 20,059.71 | 14,383.29 | 17,983.08 |
| Other recovery options | 811.18 | 629.26 | 3,526.86 | 4,022.01 |
| Total | 20,927.03 | 20629.05 | 18843.46 | 22,428.88 |
| **E-waste** | | | | |
| Recycling | 10.71 | 5.32 | 19.92 | 14.28 |

[54]GRI 306-1, 306-2 and 3-3 | [55]GRI 306-3 | [56]Hazardous Waste consist of: Spent solvent, Process residue, ETP sludge, Spent Carbon, Distillation residue etc. | [57]Non-Hazardous waste consists of: Boiler ash, Metal, Plastic, Civil waste, General scrap, etc | [58]GRI 306-4,

# Environmental Stewardship

I  II  III  IV  V  **VI**  VII  VIII  IX



## Waste Directed to Disposal (MT)[59]

| Categories | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|
| **Hazardous waste** | | | | |
| Incineration with Energy recovery | 59.79 | 998.23 | 150.22 | 366.07 |
| Incineration without Energy recovery | 2,111.36 | 719.81 | 617.45 | 575.24 |
| Landfilling | 8,481.45 | 10,535.78 | 11,589.68 | 13,394.00 |
| Co-processing | 2,566.87 | 2,759.85 | 3,192.38 | 5,308.56 |
| Other disposal operations | 0 | 0 | 351.92 | 404.74 |
| **Total** | **13,219.47** | **15,013.67** | **15,901.65** | **20,048.61** |
| **Non-hazardous waste** | | | | |
| Incineration with Energy recovery | 0 | 0 | 67.57 | 71.14 |
| Incineration without Energy recovery | 49.34 | 41.30 | 8.82 | 0 |
| Landfilling | 1,024.57 | 552.38 | 828.89 | 829.25 |
| Co-processing | 0 | 0 | 0 | 0 |
| Other disposal operations[60] | 0 | 0 | 1.81 | 5.74 |
| **Total** | **1,073.91** | **593.68** | **907.09** | **906.13** |

[59]GRI 306-5 | [60]Waste classified under other disposal operations is transferred to authorised third-party vendors for further processing and treatment

# Environmental Stewardship

## Water Stewardship[61]

At Sun Pharma, we are committed to becoming water positive by 2030, with a strategic focus on sustainable water management guided by the principles of Reduce, Reuse, Recycle, and Recharge (4Rs). Our approach prioritises reducing reliance on groundwater, especially in water-stressed regions, and enhancing water efficiency across operations.

During the reporting year, we undertook several initiatives to reduce water consumption and improve reuse. Recognising that cooling towers are major water consumers, we focused on lowering thermal loads at manufacturing sites by utilising low-grade heat. We installed heat pumps to capture and repurpose waste heat and improved chiller efficiency, significantly reducing water usage in cooling processes. Additionally, we monitor steam condensate and flash recovery to maximise recovery rates. These initiatives collectively contribute to water savings across our sites. We have also implemented systems to reuse water from Air Handling Unit (AHU) drains and recycle RO reject water and treated effluent, contributing to overall water conservation.

To further optimise water use, we upgraded our water treatment systems to minimise losses during processing. In the reporting year, we had zero liquid discharge (ZLD) systems operational at 18 sites. At non-ZLD locations, we maintain efficient effluent treatment systems that comply with local regulations and protect surrounding ecosystems through regular monitoring. Our water treatment systems have been upgraded to minimise wastage during the treatment process. Additionally, we focus on transitioning from groundwater to surface water at several sites and installing flow-reducing nozzles, aerators, and sensor-based taps. We also promptly address water leakages to prevent losses and maintain operational efficiency.

Our rainwater harvesting initiatives support groundwater recharge and reduce dependence on external sources. We conduct regular site water assessments and water balancing exercises to identify further opportunities for conservation. To build a culture of water stewardship, we also organise training and awareness sessions across our sites.

We have set a target to reduce water consumption by 10% by 2025, using 2020 as the baseline. In FY25, we achieved a 25% reduction, demonstrating the effectiveness of our water management efforts and reinforcing our commitment to sustainable water use.

## Watershed Development Project

We launched a watershed development programme across villages in the Ahmednagar and Beed districts of Maharashtra to improve water security in drought-prone areas. The initiative supports farmers in reducing reliance on rainfall for irrigation through water harvesting and management practices. Covering about 29,000 hectares and reaching more than 7,800 households, including farming and non-farming families, and a population of over 36,800, the program facilitated construction of farm ponds and check dams to recharge groundwater and support agricultural and domestic needs. The project has conserved 3.8 million kilolitres of runoff as groundwater, improved soil moisture, reduced erosion, and increased crop productivity through group irrigation wells. Communities were engaged through awareness and capacity-building sessions on water conservation and sustainable agriculture. We continue to focus on responsible water stewardship and reducing dependence on groundwater; in FY25, groundwater accounted for 39% of total water withdrawals.

## Water Withdrawal by Sources[62]

| Source | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|
| Third party (KL) | 1,556,383 | 1,454,548 | 1,631,368 | 1,665,793 |
| Surface water (KL) | 649,986 | 696,295 | 447,578 | 446,219 |
| Groundwater (KL) | 1,762,243 | 1,569,983 | 1,325,943 | 1,323,383 |
| Total (KL) | 3,968,613 | 3,720,826 | 3,404,889 | 3,435,395 |

[61]GRI 303-1, 303-2, 3-3 | [62]GRI 303-3

# Environmental Stewardship

I   II   III   IV   V   VI   VII   VIII   IX

## Water Withdrawal from Water-stressed Areas[63]

| Source | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|
| Third-party (KL) | 51,717.0 | 53,998 | 53,930 | 741,005 |
| Surface water (KL) | 7,200.0 | 7,200 | 7,200 | 6,600 |
| Groundwater (KL) | 448,239 | 400,341 | 315,954 | 84,392 |
| Total (KL) | 507,156 | 461,539 | 377,084 | 831,997 |

## Water Discharge[64]

| Source | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|
| Third party (KL) | 1,287,972 | 1,422,385 | 1,118,266 | 741,934 |
| Surface Water (KL) | - | - | - | 509,182 |

## Water Discharged in Water-stressed Areas[65]

| Source | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|
| Third party (KL) | 4,424 | 6,308 | 6,662 | 101,877 |

## Water Consumption[66]

| Year | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|
| Water consumption (KL) | 2,680,641 | 2,298,441 | 2,286,622 | 2,184,279 |

## Water Intensity (KL/Revenue in ₹ Mn)

| Year | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|
| Water Intensity (KL/Revenue in Rs Mn) | 10.23 | 8.01 | 7.24 | 6.34 |

In the reporting year, water consumption in water stressed areas was 730,121 KL.

[63]Note- For sites based in India we refer to Central Ground Water Board (CGWB) guidelines and for the sites based out of India we refer to WWF Water Risk Filter. As per Central Ground Water Board (CGWB) water stressed areas considered for FY 25 are Dadra, Dewas, Gurugram, Vadodara and as per WWF Water Risk Filter for sites based out of India following sites at Malaysia, South Africa and Israel has been considered, while for FY 24 the water stressed areas considered were Dadra, Mohali, Silvassa, Toansa, Gurugram. Hence, the data in the above table are not strictly comparable.

[64]GRI 303-4

[65]Note- For the reporting year we have updated water stress area sites. Hence, the data in the above table are not strictly comparable.

[66]GRI 303-5

# Environmental Stewardship

## Biodiversity

Biodiversity and ecosystem services are closely connected to our operations, influencing key factors such as freshwater availability, air quality, noise regulation, and flood control. A rich diversity of flora and fauna is essential for maintaining ecological balance and ensuring the health of natural systems.

At Sun Pharma, we understand the intrinsic connection between biodiversity and the long-term sustainability of our business and are committed to minimising adverse impacts on biodiversity and ecosystem services. Our approach and commitments are set out in our Biodiversity Policy, which is publicly available on our website.



## Assessing Biodiversity Risks and Ecosystem Health

To strengthen our biodiversity management efforts, Sun Pharma partnered with a third-party agency to conduct biodiversity risk assessments at five key manufacturing sites. These locations were selected based on their strategic importance to our operations. The assessments were carried out using the Taskforce on Nature-related Financial Disclosures (TNFD) Framework V0.4, focusing on identifying biodiversity components, ecosystems, and ecosystem services within and around each site. Site surveys were conducted to document the presence and diversity of local flora and fauna. The assessment included:

### Stages of Biodiversity Risk Assessment

**Documentation of Biodiversity**

Documentation of floral (trees, shrubs, herbs, and medicinal plants), faunal diversity (mammals, birds – aquatic and terrestrial, herpetofauna, butterflies)

**Analysis of Diversity**

Conducting qualitative and quantitative analyses of floral and faunal diversity

**Species Identification**

Identification of flora and fauna along with rare and endangered species; nationally, regionally, or locally significant species and communities present in the study area as per Wildlife (Protection) Act, 1972

**Carbon Sequestration Assessment**

Evaluating the carbon sequestration potential of the existing green belt within the study area

**Action Plan Development**

Formulating a strategic action plan for the conservation and enrichment of biodiversity

**Assessment of Invasive Species**

Identifying non-native or invasive species that may threaten the local ecosystem

### Biodiversity Risks and Opportunities

**Risks**

- Risk due to sourcing of surface water/groundwater for process requirements
- Risk arising due to the growth of invasive species in greenbelt areas
- Risk from species with high conservation importance reported within the site and nearby areas

**Opportunities**

Carbon sequestration in greenbelt areas can reduce residual emissions, and enhance biodiversity conservation

# Environmental Stewardship

## Climate Stewardship

As a leading pharmaceutical company, we recognise both our environmental footprint and our reliance on the ecosystems in which we operate. We use our environmental management systems to proactively address environmental risks linked to our operations.
Our ongoing focus is on enhancing environmental performance, building resilience, reducing carbon emissions year after year, and advancing the adoption of renewable energy sources.

## Climate Governance

We manage climate-related risks and opportunities through a cross functional approach embedded in our enterprise risk management and aligned with TCFD principles.

A multi-tier governance framework supports this approach, with clear decision-making processes, escalation pathways, and defined roles and responsibilities from site teams through senior leadership. This structure enables coordinated responses to climate events, strengthens accountability for targets and performance, and drives continuous improvement in resilience and emissions management.

## Our Multi-layered Governance Structure



Board of Directors ◀▶ Risk Management Committee (RMC) ◀▶ Global Internal Audit (GIA) ◀▶ Environment Team

## Roles and Responsibilities

### Board of Directors

The Board of Directors has established a Risk Management Committee (RMC) tasked with overseeing risk management, along with climate risk. This Committee holds the highest level of oversight regarding the company's climate related risks and opportunities, including the identification, management, and monitoring of vital risks related to climate change. The Enterprise Risk Framework (ERM) serves as a guide for strategic review and implementation of risk management policies, along with annual assessments against overall business objectives.

This process is overseen by the committee, led by the Chairman & Managing Director (CMD). With extensive corporate experience, our CMD provides direction for our ESG strategy, supervises climate-related issues, and regularly reviews and approves critical climate projects and capital expenditures. Our ESG Council (consisting of C-suite members) and our environment team periodically updates the Chairman & Managing Director on all climate-related matters.

### Management Roles and Responsibilities

The environment team is tasked with overseeing the execution, progress, and performance of our climate change initiatives, providing regular updates to the Chairman & Managing Director on climate related matters.

# Environmental Stewardship

## Climate Risk Management Approach

### Climate Risk Management[67]

In accordance with the TCFD Framework, we carried out a comprehensive assessment of physical and transition climate risks, incorporating scenario analyses during FY23. The assessment incorporated qualitative and quantitative scenario analyses across short, medium, and long term time horizons to identify exposures and potential impacts.

Our approach is underpinned by detailed climate risk assessments, GHG inventorisation, and a review of existing governance and institutional mechanisms, which are aligned with TCFD and CDP.

| Short-term (0-5 years) | Medium-term (5-10 years) | Long-term (10-30 years) |
|---|---|---|
| Short-term climate risks (0–5 years) are addressed through near-term operational initiatives, including site-level energy efficiency projects and the expansion of renewable energy use. To support these actions, we have set 2025 environmental targets, using 2020 as the baseline, in line with our climate action strategy. | Medium-term climate risks are being addressed through organisational programs to lower energy demand and decarbonise operations, including site-level efficiency upgrades and expansion of renewable electricity via on-site generation and green sourcing. As part of this strategy, we have set an absolute Scope 1 and Scope 2 emissions reduction target of 35% by 2030, using 2020 as the baseline. | We proactively manage long term climate risks by integrating our climate action plans into business growth strategy. Embedding sustainability and climate resilience across operations and the supply chain strengthens our ability to adapt to evolving conditions, including unforeseen climate-related disruptions. We have set a long term target to achieve net zero greenhouse gas emissions by 2050. |

## Physical Risks and Scenario Analysis

We assessed the physical climate risks across our geographic footprint and value chain, covering offices, manufacturing sites, strategic upstream suppliers, and critical downstream warehouses. Using globally recognised climate and hazard models, we evaluated both acute and chronic risks associated with drought, extreme temperatures, thunderstorms, floods, wildfires, changing precipitation patterns, and wind velocity.

### Acute Physical Risks

We have identified near-term climate hazards that could affect our operations and value chain. The assessment focused on understanding our vulnerability to extreme weather and other climate-related events and on limiting their impact on operations and supply chains to maintain business continuity and reduce potential damage. To manage these risks, location-specific mitigation plans will be implemented.

### Chronic Physical Risks

We also evaluated longer-term exposures, including changing precipitation patterns, water availability, and extreme temperatures. Understanding these risks helps us reduce their impact on our direct operations and supply chain. Water stress at manufacturing and R&D sites is evaluated using WWF's Water Risk Filter. The climate risk assessment study identified our manufacturing sites in Sikkim as vulnerable to flash flooding.

We estimate the financial implications of flooding of Sikkim sites to be ₹ 600-709 Million. In previous years, an adverse weather event led to large-scale flooding in Sikkim, which damaged public infrastructure, validating our climate risk study. Our sites remained operational due to their strategic terrain. However, we will continue to consider Sikkim sites critically important and invest in mitigation measures.

# Environmental Stewardship

## Climate-related Scenario Analysis

We assessed historical patterns and future projections of climate hazards across our business locations. Future trends were evaluated using the Shared Socioeconomic Pathways (SSP) framework, SSP1, SSP2, and SSP5 till 2100, consistent with the IPCC Sixth Assessment Report released in 2022.

Physical climate risk data were analysed at five-year intervals from the present to 2100. The SSPs are based on five overarching narratives of socioeconomic development that shape potential future emissions and climate outcomes.

Using globally recognised models, the assessment covered both acute and chronic hazards, including extreme temperatures, flooding, thunderstorms, drought, changes in precipitation, wildfires, and wind speed, to identify long-term climate risks to our operations and value chain. These three scenarios were applied consistently across all locations for the physical risk assessment.

## SSP – Scenarios that were used

### SSP 1

**Sustainability – Taking the Green Road**

- Minimal obstacles to mitigation and adaptation efforts.

- Transition to sustainable practices that lead to swift technological advancement, equitable global income distribution, and environmental sustainability.

- Continuation of emissions growth until the century's end, leading to more than a 1-degree Celsius increase in temperatures by 2100.

### SSP 2

**Middle of the Road**

- Moderate challenges to both mitigation and adaptation.

- Implementation of robust mitigation measures aimed at reducing emissions to half of current levels by 2080.

- Ongoing increase in emissions throughout the century, leading to more than a 2-degree Celsius rise in temperatures by 2100.

### SSP 5

**Fossil fuelled Development – Taking the Highway**

- Significant challenges to mitigation, but low challenges to adaptation.

- Maintenance of current emission levels, following a business-as-usual approach.

- Rapid growth in energy-demanding emissions, leading to a temperature increase of over 4 degrees Celsius by 2100.

## Transition Risks and Scenario Analysis

We conducted a Transition Risk and Scenario Analysis till 2050 to evaluate potential risks to assess potential business impacts arising from evolving climate policies and regulations, market dynamics, and technological change. The assessment applied the Network for Greening the Financial System (NGFS) scenarios, developed in collaboration with the Potsdam Institute for Climate Impact Research (PIK), the International Institute for Applied Systems Analysis (IIASA), the University of Maryland (UMD), Climate Analytics (CA), and ETH Zurich. The NGFS transition pathways are differentiated by key design choices, including net zero targets, long-term temperature outcomes, near-term policy actions, technology availability, and the extent of policy coordination. Insights from this analysis inform our understanding of transition risks under multiple plausible futures.

## Different Transition Scenarios

- Nationally Determined Contributions (NDCs) scenario: This scenario assumes India's NDC is fully implemented, aligning business emissions with the NDC trajectory.

- Below 2°C scenario: It progressively tightens climate policies, providing a 67% probability of keeping global warming beneath 2°C.

- 'Net Zero 2050' scenario: Through stringent climate policies and innovations, this scenario aims to limit global warming to 1.5°C, achieving global net zero emissions by 2050.

- Delayed transition scenario: A disorderly transition is assumed, with emissions following a business-as-usual path until 2030, before sharply declining to restrict global warming below 2°C.

- Divergent net zero scenario: The world achieves net zero emissions around 2050 but at higher costs due to varied policies across sectors, leading to a rapid reduction in oil use.

# Environmental Stewardship

## Addressing Transition Risks

| Transition Risk | Impact | Risk Level |
|---|---|---|
| **Policy and Legal Risks** | India currently does not have a carbon price/tax, resulting in limited regulatory implications domestically. Operations outside India may be subject to carbon pricing or taxation, creating potential regulatory impacts. To mitigate these risks, we are implementing initiatives to reduce direct and indirect carbon emissions across global sites, aligned with our target to cut absolute Scope 1 and Scope 2 emissions by 35% by 2030 (baseline 2020). | Low – Medium |
| **Market Risk** | We need to transition to renewable energy sources due to rising costs for essentials such as power and raw materials at local sites. It's important to note that the Indian Government currently has no plans to phase out coal, so the scenarios assume coal prices will remain stable, unlike the NDC scenario. <br><br> However, the three low-carbon transition scenarios could lead to a significant price increase, particularly after 2030, as these scenarios suggest coal should not be used as a source of energy. These policy shifts could influence market dynamics and affect global operations. Depending on emissions profiles, pharmaceutical manufacturers may also face carbon pricing or tax obligations. | Low – Medium |
| **Technology Risk** | Our current share of renewable energy is lower than non-renewables; however, it is expected to increase over the coming years, reducing transition risk. At present, renewables account for about 41% of total energy consumption. If the growth observed from 2019 to 2024 continues, more than 50% of our energy use is projected to come from renewable sources by 2030. We have installed captive hybrid (wind + solar), solar and wind assets, and rooftop solar at multiple locations, and are upgrading boilers to utilise biomass to further advance this transition. | Low |
| **Reputational Risk** | Climate change may create reputational exposure as customer and community expectations evolve. This risk is mitigated by our commitments to reduce carbon emissions (Scopes 1 and 2), lower water consumption, and increase hazardous waste co-processing, alongside steadily raising the renewable share of our energy mix and pursuing energy efficiency initiatives. Zero Liquid Discharge systems have been implemented at several manufacturing facilities. Currently, 18 of our manufacturing sites have achieved ZLD status. | Low |

# Environmental Stewardship

## Physical Climate Risk Adaptation

### Energy Efficiency

We are committed to reducing our carbon emissions (Scope 1&2) by 35% by 2030, using 2020 as our baseline. To progress toward this target, we implemented energy-saving measures across multiple sites, including:

- Heat pumps for hot water generation to reduce reliance on steam

- Energy-efficient HVAC blowers and smart, high-efficiency chillers

- IE3-rated motors, and replacement of CHW/HW pumps with energy-efficient pumps equipped with IE3 motors

- Demand side compressed air management and energy-efficient/zero purge refrigerant air dryers

- Motion sensor lighting

- Enhanced condensate recovery systems

- Variable frequency drives (VFDs) for part load motor operations

- Automatic tube cleaning systems in chillers

- Energy-efficient cooling towers

These initiatives have lowered fuel and power consumption, optimised water use, and reduced associated carbon emissions across sites. In the reporting year, we invested in these initiatives amounted as a part of our capital expenditures which is also included into our annual business and financial planning as a part of mitigation measures.



### Water Management

With droughts and water scarcity expected to intensify due to climate change, certain locations may experience increased water-related risks that could cause temporary operational disruptions and revenue impacts. To assess exposure across all sites, we used the WWF Water Risk Filter and the Central Ground Water Board (CGWB) analysis. The CGWB analysis helps us identify areas experiencing water stress in India, while the WWF Water Risk Filter assesses water stress for our sites outside India. We have set a target to reduce total water consumption by 10% by 2025 from a 2020 baseline.

### Metrics and Targets

We remain committed to reducing our carbon footprint and are implementing various carbon management and energy efficiency initiatives to reduce carbon emissions. These actions align with our target to reduce absolute Scope 1 and Scope 2 emissions by 35% by 2030 from a 2020 baseline, and our long-term objective to achieve net zero by 2050. We have identified several climate-related opportunities to significantly reduce our energy costs.

We have identified climate-related opportunities that are expected to deliver significant energy cost savings estimated at ₹ 1,998.1 million annually once all planned projects are commissioned. To enable this, we plan to invest approximately ₹ 7,311.9 million in energy-efficiency and renewable energy projects, including hybrid solar–wind solutions, rooftop solar installations, switching boiler fuel from non-renewable sources to biomass, deploying heat pumps at select locations, and upgrading to high-efficiency chillers, compressors, and pumps. We are also evaluating carbon offset projects to address residual emissions.

| Scope Covered by Target | Base Year | Target Year | Base Year Emissions (tCO$_2$e) | % Reduction Target from Base Year |
|---|---|---|---|---|
| Scope 1 + 2 | 2020 | 2030 | 451,068 | 35% |

# Workforce Resilience and Well-being

# Workforce Resilience and Well-being

I II III IV V VI **VII** VIII IX

# Engage, Empower, Thrive

Our workforce is important for our success. Aligned with our vision of 'Reaching People, Touching Lives' worldwide as a top provider of valuable medicines, we are dedicated to nurturing and enhancing the potential of our diverse and dynamic workforce. Our employees bring expertise to the Company's expanding intellectual resources, drawing on their diverse educational backgrounds and experiences. With more than 51,000 employees, we are united by a shared mission to create a healthier future for everyone.

## UN SDG Alignment



## Building Empowered Teams

### The CARE Philosophy

Our employees personify the core values of Humility, Integrity, Passion, and Innovation, which are crucial for operational success and for positively impacting the patients we serve. We understand that our achievements are the result of empowered individuals, so we are committed to helping our employees reach their full potential. The diversity and unity within our workforce are critical for achieving operational excellence. We strive to instil pride and ownership in their work while supporting their development.

Our forward-thinking human resource management strategy is upheld through continual investments and partnerships, tailored to meet the changing expectations of our workforce. We have reinforced our approach by aligning with four core principles: Connect, Align, Respect, and Ensure (C.A.R.E).
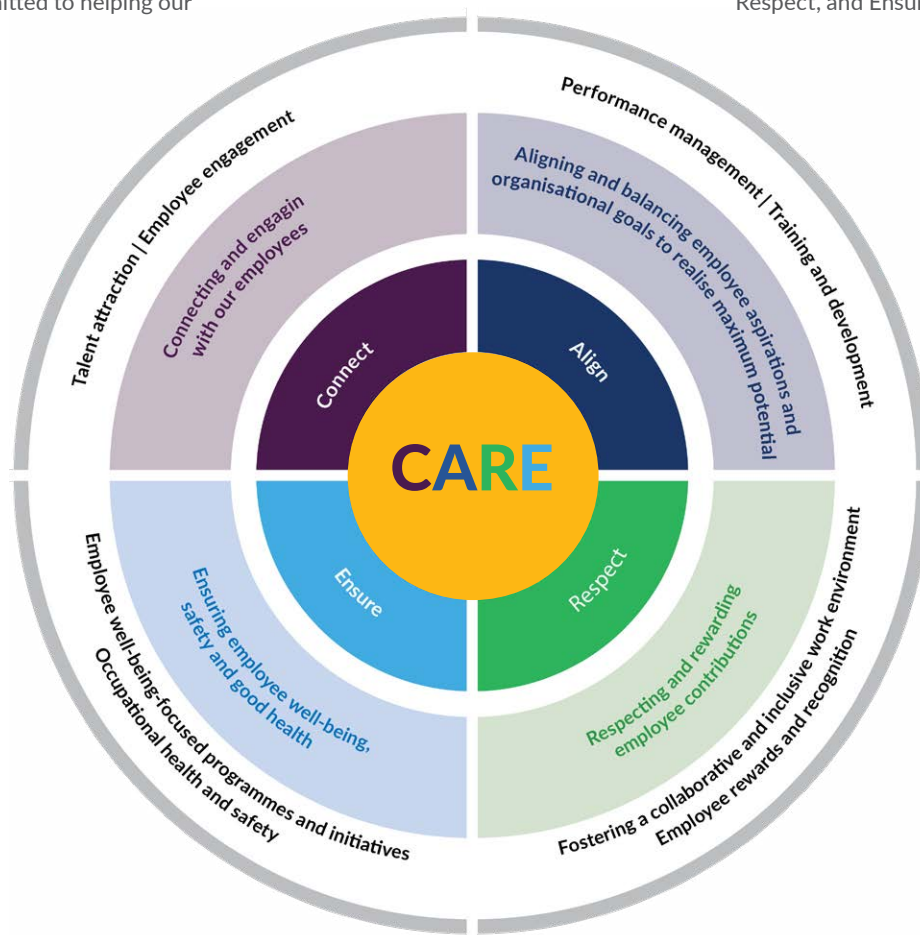
# Workforce Resilience and Well-being

At Sun Pharma, we are committed to fostering a workplace culture that empowers our people and encourages innovation, collaboration, and continuous growth. This commitment reflects our dedication to building an environment rooted in trust, mutual respect, and genuine care, positioning Sun Pharma as an employer of choice for those seeking meaningful and rewarding careers.

In a rapidly changing world, continuous learning and development are crucial for employees to stay ahead of the curve. We offer adequate opportunities for our staff to acquire new skills, expand their knowledge, and inspire creativity, enabling them to work with passion. We motivate teams to surpass expectations with strategically integrated growth initiatives.

By gathering talent from various backgrounds, we mirror the diversity in our international operations and the communities we serve. Our goal is to empower our global workforce of over 51,000 individuals, grounded in a robust value system that bolsters our workforce management and development approach.



The table below provides details on our workforce by gender, age, and region for FY25.[68]

## Total Global Consolidated Workforce

| Employee Category | <30 years | 30-50 years | >50 years | Male | Female |
|---|---|---|---|---|---|
| **Employees** | | | | | |
| Top management | 0 | 50 | 146 | 163 | 33 |
| Senior management | 0 | 512 | 421 | 770 | 163 |
| Middle management | 91 | 2,395 | 651 | 2,367 | 770 |
| Junior management | 267 | 3,687 | 677 | 3,548 | 1,083 |
| Non-Management | 2,722 | 4,220 | 731 | 5,615 | 2,058 |
| Field Employees | 8,890 | 8,620 | 1,033 | 16,397 | 2,146 |
| Executives on Contract | 1,302 | 48 | 4 | 810 | 544 |
| **Total Employees (A)** | **13,272** | **19,532** | **3,663** | **29,670** | **6,797** |
| **Workers** | | | | | |
| Permanent associates | 1,596 | 4,336 | 1,461 | 6,355 | 1,038 |
| Casual labour | 3 | 113 | 3 | 72 | 47 |
| Contractual labour | 7,619 | 156 | 22 | 6,056 | 1,741 |
| **Total Workers (B)** | **9,218** | **4,605** | **1,486** | **12,483** | **2,826** |
| **Total Workforce (A+B)** | **22,490** | **24,137** | **5,149** | **42,153** | **9,623** |

[68] GRI 2-7, 2-8 and 405-1

# Workforce Resilience and Well-being

We recruit talented individuals from a wide age range, which enhances our competitive advantage and allows us to tap into various expertise for our value creation efforts. At Sun Pharma, we acknowledge the value that young professionals bring with their diverse skills, enthusiasm, and innovative ideas. Their contributions enable us to stay dynamic and progressive in a rapidly changing industry. Supported by strong leadership, our young employees are essential in creating a thriving workplace, offering fresh perspectives, and preparing a workforce for the future. In FY25, those under 30 years and those aged 30-50 years made up 43.44% and 46.62% of our workforce, respectively, while the remaining 9.94% were over 50 years old.

## Total Workforce – India

| Employee Category | <30 years | 30-50 years | >50 years | Male | Female |
|---|---|---|---|---|---|
| **Employees** | | | | | |
| Top management | 0 | 39 | 86 | 112 | 13 |
| Senior management | 0 | 389 | 219 | 549 | 59 |
| Middle management | 71 | 1,828 | 286 | 1,855 | 330 |
| Junior management | 152 | 2,962 | 336 | 3,013 | 437 |
| Non-management | 2,283 | 3,008 | 91 | 4,386 | 996 |
| Field Employees | 8,298 | 6,162 | 296 | 14,360 | 396 |
| Executives on Contract | 1,278 | 21 | 0 | 782 | 517 |
| **Total Employees (A)** | 12,082 | 14,409 | 1,314 | 25,057 | 2,748 |
| **Workers** | | | | | |
| Permanent associates | 1,457 | 3,698 | 882 | 5,747 | 290 |
| Casual labour | 0 | 0 | 0 | 0 | 0 |
| Contractual labour | 7,410 | 0 | 0 | 5,780 | 1,630 |
| **Total Workers (B)** | 8,867 | 3,698 | 882 | 11,527 | 1,920 |
| **Total Workforce India (A+B)** | 20,949 | 18,107 | 2,196 | 36,584 | 4,668 |

# Workforce Resilience and Well-being

## Total Workforce – Global (Excluding India)

| Employee Category | <30 years | 30-50 years | >50 years | Male | Female |
|---|---|---|---|---|---|
| **Employees** | | | | | |
| Top management | 0 | 11 | 60 | 51 | 20 |
| Senior management | 0 | 123 | 202 | 221 | 104 |
| Middle management | 20 | 567 | 365 | 512 | 440 |
| Junior management | 115 | 725 | 341 | 535 | 646 |
| Non-management | 439 | 1,212 | 640 | 1,229 | 1,062 |
| Field Employees | 592 | 2,458 | 737 | 2,037 | 1,750 |
| Executives on Contract | 24 | 27 | 4 | 28 | 27 |
| **Total Employees (A)** | **1,190** | **5,123** | **2,349** | **4,613** | **4,049** |
| **Workers** | | | | | |
| Permanent associates | 139 | 638 | 579 | 608 | 748 |
| Casual labour | 3 | 113 | 3 | 72 | 47 |
| Contractual labour | 209 | 156 | 22 | 276 | 111 |
| **Total Workers (B)** | **351** | **906** | **604** | **956** | **906** |
| **Total Workforce India (A+B)** | **1,541** | **6,029** | **2,953** | **5,569** | **4,955** |

# Workforce Resilience and Well-being

I  II  III  IV  V  VI  **VII**  VIII  IX

## Diversity, Equity and Inclusion

At Sun Pharma, we believe that a diverse workforce coupled with an inclusive workplace culture enhances decision-making and boosts employee engagement and retention. We are dedicated to fostering an atmosphere where everyone is valued, respected, and supported, irrespective of race, ethnicity, gender identity, sexual orientation, religion, age, or ability.

## Promoting Diversity, Equity, and Inclusion[69]

Our strategy for diversity, equity, and inclusion focuses on establishing a work environment that prioritises employee well-being while meeting their unique needs and expectations. We are devoted to nurturing a safe and inclusive workplace that harnesses the strengths of diversity to achieve positive outcomes for all stakeholders.

### Our Diversity, Equity and Inclusion (DEI) strategy prioritises three critical principles

| Equal Opportunity | Non-discrimination | Meritocracy |
|---|---|---|
| As an equal-opportunity employer, we are committed to treating our employees with the highest levels of dignity, respect, and fairness. | Our zero-tolerance policy strictly prohibits all forms of discrimination, including those based on gender, sexual orientation, race, religion, caste, ethnicity, age, nationality, disability, HIV status, family status, and more. | We place an emphasis on merit-based recruitment and selection, as well as training and development, performance evaluation, compensation, and career advancement. |



[69]GRI 3-3

# Workforce Resilience and Well-being

## Our Diversity, Equity, and Inclusion (DEI) Approach:

- **Focused Hiring:** Seizing the right opportunities to onboard more women while providing recruiters and hiring managers with the skills and capabilities needed to meet this objective.

- **Fundamental Support:** Providing essential infrastructure, safety measures, and progressive policies for all employee groups.

- **Cultivating Inclusive Culture:** Creating a workplace culture that promotes inclusivity, ensuring all key stakeholders are aligned and invested.

- **Enhancing Competence and Career:** Collaborating with diverse groups to encourage targeted career progression and development, strengthening our talent pipeline.

- **Network of Allies and Sponsors:** Developing team members committed to advancing our DEI journey by assuming roles as Sponsors, Allies, or Mentors.

- **Employer Branding:** A crucial component of our employee value proposition, communicated both internally and externally.

- **Recognition and Celebration:** Acknowledging behaviours that promote diversity and celebrating milestone achievements.

To bring about a sense of belonging and inclusiveness, we celebrate a variety of ethnic festivals and observe international recognition days, such as Women's Day.

## Female Employees in Global Workforce (in %)

| | FY25 Performance | FY40 Target |
|---|---|---|
| **Women in Overall Workforce** | 18.59 | 30 |
| **Women in All Management Positions** | 23.03 | 30 |
| **Women in Top Management Positions** | 13.47 | 15 |
| **Women in Junior Management Positions** | 23.39 | 30 |
| **Women in Revenue-generating Functions** | 28.09 | 40 |
| **Women in STEM-related Positions** | 25.49 | 30 |

# Workforce Resilience and Well-being

## Talent Acquisition

We are dedicated to attracting and nurturing a diverse workforce through specific hiring efforts. Our recruitment approach is founded on two key principles: merit and diversity. As an employer that champions equal opportunity, we focus on candidates' skills and their alignment with our Company's values and mission during the hiring process.[70] To ensure a smooth transition, every new employee participates in compulsory onboarding training, which introduces them to our values, operational structure, and organisational goals. This method promotes a unified understanding and dedication to our common mission.

Our global employee count grew by 6,978 employees in FY25, and internal hires accounted for 12.49% of all open positions. The table below provides details on our total new hires by age, gender and region for FY25.[71]

## New Hires for FY25

| Region | <30 years | | 30-50 years | | >50 years | | Male | | Female | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Nos. | Rate | Nos. | Rate | Nos. | Rate | Nos. | Rate | Nos. | Rate |
| India | 4,059 | 31.89% | 1,088 | 8.05% | 36 | 2.68% | 4,156 | 16.61% | 1,027 | 39.81% |
| Global (excluding India) | 624 | 51.40% | 943 | 17.73% | 228 | 9.16% | 967 | 20.76% | 828 | 18.98% |

Rate – implies the number of new hires as % of total employees in respective categories

We have embraced a strong people-focused approach, concentrating on the growth, empowerment, and engagement of our employees. Our strategy emphasises retention through carefully designed initiatives backed by rewards and recognition programs. In FY25, our total employee turnover rate was 19.01% (6,958 employees), and our voluntary employee turnover rate was 13.57% (4,967 employees).

The table below provides details on our employee turnover by gender, age and region for FY25.[72]

## Employee Turnover Rate for FY25

| Region | <30 years | | 30-50 years | | >50 years | | Male | | Female | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Nos. | Rate | Nos. | Rate | Nos. | Rate | Nos. | Rate | Nos. | Rate |
| India | 3,261 | 26.45% | 1,668 | 12.08% | 246 | 16.99% | 4,260 | 17.00% | 915 | 36.25% |
| Global (excluding India) | 397 | 36.07% | 982 | 18.39% | 404 | 15.68% | 889 | 19.24% | 894 | 20.34% |

# Workforce Resilience and Well-being

I  II  III  IV  V  VI  **VII**  VIII  IX

## Continuous Learning

We are dedicated to workforce development by nurturing a culture of continuous growth and excellence. Our objective is to cultivate an environment that promotes lifelong learning, providing employees with the skills they need for their present positions and future career advancement.[73]

### Annual Assessments for Performance Management

The process includes yearly goal setting, evaluation of development needs, mid-year and year-end assessments, and enhancing our performance management strategy. We encourage agile and informal two-way communication between managers and employees to foster open dialogue and maintain transparency in team-based performance assessments and feedback. The annual appraisal cycle is completed for all eligible employees, utilising a systematic, objective-driven approach led by management.[74]

### Holistic Training and Development Programmes

In our ongoing efforts, we offer numerous comprehensive learning opportunities aligned with our organisational goals and workforce ambitions. Our programs cater to varied learning needs through personal growth plans and collaboration with different business units. By involving both internal and external experts, we enhance our capacity to provide flexible learning experiences for our employees. We also offer access to programs like Massive Open Online Courses (MOOCs) and TED Talks.

## Overview of Our Skill-building Programmes[75]

We offer training programs aimed at developing and sustaining a workforce ready for future challenges. To cultivate a culture of high performance, growth, and employee satisfaction, we have crafted learning and development programmes centred on achieving excellence. Our training initiatives pinpoint learning requirements and bridge knowledge gaps to ensure employees stay updated on emerging topics. As a Company devoted to maintaining ethical standards, we place a strong emphasis on corporate ethics. As a result, our training modules cover a variety of subjects, such as adherence to the Global Code of Conduct, IT security, Health and Safety, and Prevention of Sexual Harassment (POSH), among others.

Training programmes designed to build a Future-ready Workforce include:

- Technical Skill Development
- Leadership Development
- Data and Documentation Management
- Soft Skills and Behavioural Training
- Digital Tools Training
- Culture-building

For FY25, each employee underwent an average of 57 hours of training. The following table provides details on average training hours for FY25 by gender and employee category.[76]

## Average Training Hours for FY25

| Employee Category | Male (Hours) | Female (Hours) |
|---|---|---|
| Top management | 78 | 54 |
| Senior management | 153 | 70 |
| Middle management | 169 | 132 |
| Junior management | 81 | 37 |
| Non-management | 90 | 56 |
| Field Employees | 25 | 26 |
| **Executives on Contract** | 100 | 100 |

In FY25, we spent an average of ₹ 4,753 per employee on training.

[73]GRI 3-3 | [74]GRI 404-3 | [75]GRI 404-2 | [76]GRI 404-1

# Workforce Resilience and Well-being

We continue to offer comprehensive learning opportunities which align with the objectives of our organisation and the aspirations of our employees.[77]  Our key programmes include:

## People Manager Development Programme

This Programme is thoughtfully crafted to strengthen the skills of managers at every level, recognising their vital role as the link between the organisation and its employees. This extensive programme is structured into four tiers: First-Time Managers receive foundational training tailored to frontline leadership, particularly within manufacturing teams; the Operational & Functional Level Program focuses on building essential management skills for strategic decision-making and includes initiatives such as Manager as a Coach and LEAD; the Strategic Level Programme prepares senior leaders to navigate market volatility and enhance global competitiveness by developing expertise in areas like Data Analytics and Digital Transformation.

As a global organisation with a workforce representing around 50 different nationalities, the programme incorporates a cultural component designed to foster awareness, sensitivity, and respect for diverse cultures and perspectives. Furthermore, this development effort is inclusive of contractual and part-time employees, promoting a cohesive culture and shared organisational values.

In FY25, the programme achieved full participation from all managers, contributing to a 9% improvement in production efficiency compared to the previous year, highlighting its significant positive effect on business performance.

## Salesforce Effectiveness Programme

The Salesforce Effectiveness Programme (SFEP) plays a vital role in developing our frontline field employees, who constitute 36% of our workforce and are key drivers of revenue through direct customer engagement. SFEP provides these employees with comprehensive development beginning with a smooth 7-day induction, followed by ongoing training in essential areas such as sales fundamentals, role responsibilities, product knowledge, and marketing strategies. This structured training approach enhances market readiness, encourages innovative selling techniques, improves time management, and strengthens customer communication skills.

By fostering a strong sense of ownership and accountability, the programme empowers employees to become passionate brand ambassadors capable of delivering significant business results. The inclusion of cultural education within the program also aligns field employees with Sun Pharma's values and ethics, promoting a unified identity and shared sense of purpose across the sales force.

As the primary point of contact with our customers, our sales team gains valuable insights through these direct interactions, which serve as a critical learning opportunity to better understand customer needs and perspectives. This knowledge helps improve service standards and overall effectiveness. Additionally, our sales force organises medical events and camps, facilitating collaboration with customers, deepening understanding of their requirements, and further enhancing their skills.

With approximately 80% annual participation, the SFEP has demonstrated a substantial impact, contributing to a 15.1% revenue increase in FY25 compared to FY24.

[77]GRI 404-2

# Workforce Resilience and Well-being

I  II  III  IV  V  VI  **VII**  VIII  IX

## Behavioural Framework

By concentrating on seven essential behavioural traits, the framework significantly contributes to leadership development, serving as a roadmap that guides employees toward future leadership positions while promoting a leadership-oriented culture. By nurturing these vital competencies, we encourage an entrepreneurial, effective, and inclusive mindset that propels organisational leadership. This approach helps us establish an internal talent pipeline for succession planning.

Behavioural Competencies

Elements

| Strategic Orientation | Execution Focus | Accountability | Collaboration | Process Excellence | People Developer | Customer Centricity |
|---|---|---|---|---|---|---|
| Market awareness | Aspiring higher by taking stretch goals | Performance monitoring of functional and cross-functional goals | Self-awareness and emotional control | Process orientation | Providing inspirational leadership | Understanding customer expectations |
| Tolerance to ambiguity | Planning and prioritisation | Initiative | Boundaryless behaviour | Process compliance | Attracting and engaging talent | Market Intelligence |
| Analysing and interpreting Data | Attention to detail | Adapting and responding to change | Nurturing relationship | Resource optimisation | Delegation | Relationship building |
| Persistence | | | Influence | Process improvement | Developing talent | Developing customer-centric solutions |

### Culture Sensitivity

## Talent Management

Our workforce is the cornerstone of our productivity and performance. We encourage them to share ideas and suggestions, fostering innovation and collaboration to achieve operational excellence. Our engagement strategy prioritises continuous and transparent communication to build synergistic relationships. We maintain strong connections through multiple communication channels, including leadership town halls, to regularly engage employees. These touchpoints enable us to share updates, disseminate key information, and cultivate unity and belongingness across our global workforce.

## Fair Compensation

Our compensation programmes provide fair, competitive remuneration that acknowledges employees' contributions. They are aligned with industry standards, benchmarked against peers, and guided by global reward practices and recommendations from independent compensation advisors. The Board's Nomination and Remuneration Committee oversees and manages the Remuneration Policy and procedures and plays a pivotal role in determining senior management compensation and benefits. The Managing Director and Whole-time Directors' remuneration is decided with shareholders' consent and in compliance with local laws[78]. We comply with all applicable minimum wage laws at the hiring stage across our operations.[79]

## Equal Pay Statistics[80]

| Employee Level* | Average Women's Salary in INR | Average Men's Salary in INR |
|---|---|---|
| Executive level (base salary only) | 13,081,433 | 18,254,274 |
| Executive level (base salary + other cash incentives) | 14,865,881 | 21,413,887 |
| Management level (base salary only) | 19,19,212 | 18,52,466 |
| Management level (base salary + other cash incentives) | 19,21,309 | 18,54,110 |
| Non-management level (base salary only) | 4,74,999 | 5,86,710 |

*The above data is for our India operations covering ~80% of our global workforce.

[78]GRI 2-20 | [79]GRI 202-1 | [80]GRI 405-2

# Workforce Resilience and Well-being

## Employee Benefits

Employee benefits and rewards are benchmarked and structured as per current market trends to align with the changing needs of our diverse global workforce and their families. We provide comprehensive benefits, including insurance policies, retirement benefits, various allowances, and pension fund contributions, in compliance with applicable laws and regulations. To support our employees in improving their work-life balance and flexible needs, we have established a range of leave benefits. Employees at all locations can select shift hours and, where justified at specific locations, opt for work from home. We provide maternity, paternity, and adoption leave, along with on-site creche facilities to support employees returning after parental leave.[81]

### Sun Pharma Employee Benefits

| | | |
|---|---|---|
| Global parental leave# | Car allowance* | Education allowance for school fees* |
| Medical insurance# | Transportation allowance | Phone allowance* |
| Accident insurance# | Professional allowance* | Meal allowance* |
| Life insurance# | Housing allowance*# | Variable/Performance pay for certain employee categories* |

*These provisions are contingent upon the HR Policy of the individual global locations

#Benifits provided to employees and workers

## Parental Leave for FY25

| Description | Male | Female |
|---|---|---|
| Number of employees entitled to parental leave | 23,667 | 5,706 |
| Number of employees who availed parental leave | 1,858 | 250 |
| Number of employees who returned to work in the reporting period after parental leave ended | 1,721 | 232 |
| Number of employees who returned to work after parental leave ended in the previous year, who were still employed 12 months after they returned to work | 1061 | 151 |
| Return to work rate (%) [83] | 92.63% | 92.80% |
| Retention rate | 84.74% | 74.75% |

In FY25, our total return-to-work rate was 93% and our retention rate was 83%. The table below provides details of parental leave taken during FY25.[82]

## Employee Engagement Survey

We conduct an Organisational Health Index (OHI) survey every two years, incorporating global and functional benchmarks, to assess employee experience and satisfaction. The survey insights help us understand employee sentiments and provide us with valuable data to enhance our work culture. Our employee engagement scores have consistently improved compared to previous surveys.

# Workforce Resilience and Well-being

I  II  III  IV  V  VI  VII  VIII  IX

## Commitment to Human Rights

We are committed to upholding and protecting human rights across all our global operations, in full alignment with our Human Rights Policy. This commitment ensures that our practices respect dignity, fairness, and equality, reinforcing our responsibility toward employees, communities, and stakeholders. Rooted in the Universal Declaration of Human Rights, the Policy encompasses principles from the International Bill of Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work (1998).

We expect all our value chain partners to uphold these human rights principles, recognising that safeguarding human rights is a shared responsibility. We have procedures to identify and mitigate human rights risks, along with grievance redressal systems to address stakeholder concerns promptly and fairly.[84] In FY25, 30% of our security personnel received training on our human rights policies and processes in specific locations.[85]

### Zero Tolerance Policy towards Child and Compulsory/Forced Labour

We are committed to ethical labour practices and ensure that no individuals under the age of 18 are employed. We strictly prohibit forced or compulsory labour and avoid working with suppliers or vendors who engage in such practices.[86]

### Freedom of Association[87]

We comply with local labour laws and emphasise the importance of fair wages, freedom of association, participation, and collective bargaining within our operations. We are dedicated to creating an environment that continuously respects and protects employee rights. To support this, our employees are entitled to join, form, or opt out of employee collectives without fear of retaliation, harassment, or intimidation. As of March 31, 2025, our management-recognised employee unions, wherever applicable across global manufacturing sites, represent 9.05% of our workforce.[88]

### Human Rights Protection and Due Diligence Efforts

At Sun Pharma, we aim to identify any adverse human rights impacts of our business on relevant stakeholders and address these through corrective actions. Our efforts span across various domains, including labour standards, health and safety, environmental practices, corporate ethics, and specific issues like freedom of association, safe working conditions, fair wages, child labour, and discrimination.

### Employee Awareness on Human Rights Policies and Procedures

We are dedicated to upholding human rights by offering targeted training to our employees via our learning management system. These programs are crafted to improve awareness and understanding, fostering a workplace culture grounded in respect, fairness, and equality. We strictly adhere to all applicable human rights laws and regulations. In FY25, we received 28 complaints, with 5 pending resolutions at the end of the reporting year.[89] Necessary corrective actions were taken for the reported complaints.

# Employee Health, Safety and Well-being

I  II  III  IV  V  VI  **VII**  VIII  IX

## Care, Nurture, Sustain

At Sun Pharma, we have a range of targeted programmes and initiatives designed to create a supportive and safe workplace culture. These efforts go beyond traditional benefits, focusing on the holistic health and well-being of our employees, covering physical, mental, and emotional wellness to ensure a thriving workforce.

### Our Proactive Approach to Occupational Health and Safety[90]

Our Employee Health and Safety (EHS) Policy provides a comprehensive framework for establishing and maintaining occupational health and safety standards across the organisation. This policy ensures a proactive approach to risk management, compliance with regulatory requirements, and the creation of a safe and healthy work environment for all employees. Central to this policy is our unwavering commitment to 'zero harm', driving us to meet regulatory and legislative requirements.

We adopt international best practices, including ISO 45001:2018, to establish a robust foundation for effective occupational health and safety risk management, ensuring alignment with industry standards. We conduct regular health and safety audits under a well-structured governance framework that tracks and evaluates the implementation and effectiveness of safety measures, ensuring continuous improvement.

Our EHS leadership team, comprising the Operations Head, Area Managers, and other key personnel, plays a pivotal role in monitoring and enforcing

safety standards across all locations. Their proactive oversight ensures compliance with EHS policy, fosters a culture of safety, and drives continuous improvement in workplace health and safety practices. We further enhance our safety initiatives through regular training sessions and awareness programmes, fostering a culture of safety and shared commitment. By engaging employees in ongoing training about safety practices, we empower them to contribute actively to a safe, healthy work environment.

### Employees Covered by OHS Management System[91]

Employees covered by the OHS System: **17,602**

Employees covered by the OHS system and audited or certified by an external party: **14,008**

Employees covered by the OHS System and internally audited: **17,602**

Employees whose Work/Workplace is controlled by the organisation: **17,602**

Number of workers excluded: **0**

**Five Pillars of Our OHS Management System[92]**

Forums and meetings - informal and formal safety committee meetings

Leadership engagement through EHS meeting forums

In-house and external training in line with ISO 45001:2018 requirements

Incident reporting and knowledge sharing through an IT-based Global EHS portal

Audits for compliance with ISO 45001:2018

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[90]GRI 403-1, 3-3 | [91]GRI 403-8 | [92]GRI 403-7, GRI 403-5

# Employee Health, Safety and Well-being

## Global EHS Focus Areas

The four core areas of our global EHS management system shape our multi-pronged approach toward safety and well-being:

### Audit

18 sites globally are ISO 45001:2018-certified.

- Self-audit
- Corporate audit
- Third-party audit

### Governance

The EHS policy, management system, and global standards strengthen our EHS governance.

- EHS KPIs
- EHS CAPA Tracker
- EHS Culture Meter

### EHS Standard Implementation

The ISO framework serves as the foundation for our global EHS standards.

- EHS management
- Process safety
- Occupational safety
- Environment
- Occupational health and hygiene

### Culture Building

We drive our EHS culture development by a top-to-bottom EHS engagement mechanism that works through numerous channels.

- Visible leadership
- Engagement of employees
- Line accountability in EHS
- Competence and capability

This structured approach enhances our understanding of workplace risks and conditions, fostering a culture of safety that evolves alongside our operations. We have developed a customised Global EHS portal that enables employees to report incidents and conduct investigations, promoting transparent information-sharing on preventive measures to avert future occurrences and reinforce a safe, sustainable work environment.

# Employee Health, Safety and Well-being

## Hazard Identification, Risk Assessment, and Incident Investigation[93]

At Sun Pharma, we conduct regular and comprehensive health and safety risk assessments to evaluate existing practices and implement targeted action plans to mitigate potential risks. Central to our safety commitment is our Process Safety Management (PSM) framework, which encompasses 14 key elements.

This structured approach guides our risk assessment methodology and drives continuous improvement in safety performance across all operations.

This structured approach enhances our understanding of workplace risks and conditions, fostering a culture of safety that evolves alongside our operations.

We have developed a customised Global EHS portal that enables employees to report incidents and conduct investigations, promoting transparent information-sharing on preventive measures to avert future occurrences and reinforce a safe, sustainable work environment.



## 14 Elements of Process Safety Management

| Health and Safety Management | Control of Work | Advanced Risk Assessment |
| --- | --- | --- |
| • Management of change | • Hot work permit | • Process safety information |
| • Incident investigation | • Emergency preparedness and response | • Process hazard analysis |
| • Contractors | • Mechanical integrity | • Operating procedures and safety practices |
| • Compliance audits | • Pre-startup safety review | |
| • Employee involvement | • Training management | |
| • Trade secrets | | |

[93]GRI 403-2 and 403-7

# Employee Health, Safety and Well-being

## Key Focus Areas of Process Safety Management

## 1

### Risk Analysis

Purpose: Assists in analysing root causes and guides the creation of effective mitigation action plans.

**Tools implemented:**

- EHS checklists – Hazard and Operability Study (HAZOP)
- Hazard Identification and Risk Assessment (HIRA)
- Qualitative Risk Analysis (QRA) – Job Safety Analysis (JSA)

## 2

### Risk Evaluation for Materials used across Manufacturing Operations

Purpose: Review and assess EHS information concerning the materials used in manufacturing operations to prevent potential hazards from the accidental mixing, storage, and handling of various materials.

## 3

### Change Management System

Purpose: Analyse and respond to modifications in processes and facilities.



## 4

### Work-related Hazard Identification

Purpose: Spot unsafe work conditions and keep track of work-related hazards through the site-specific EHS governing team.

## 5

### On-site emergency preparedness

Purpose: Establish a comprehensive fire safety and emergency management system.

Regular fire safety drills and training sessions are conducted to ensure preparedness, and we maintain a ready supply of fire protection equipment, which has been tested for functionality, across our manufacturing locations.

## 6

### Disaster management

Purpose: Identify emergencies and establish a chain of procedures.

Strive to ensure uninterrupted operations and healthcare solutions. Use a formal on-site emergency plan (OSEP) to identify potential emergencies and outline procedures, including designated evacuation routes. Additionally, evaluate risks related to potential disasters that could impact the entire supply chain as part of the business continuity plan.

# Employee Health, Safety and Well-being

## Employee Health Management System[94]

Our health management system is designed to promote holistic employee well-being through a structured framework of clearly defined processes, standard operating procedures (SOPs), and robust administrative controls to mitigate operational risks. As part of this commitment, all prospective employees undergo pre-employment health assessments to ensure fit-to-work certification before onboarding.

In addition, we provide regular health check-ups at all our sites through professionally certified health centres, staffed with qualified nurses and doctors who are dedicated to monitoring employee health and ensuring prompt response to any medical emergencies. In alignment with our Global Code of Conduct, patient health records are kept confidential. We provide comprehensive health insurance covering all employees and organise health-focused initiatives to promote healthier lifestyles.

Our ongoing commitment includes regular webinars and awareness programmes on nutrition, mental health, meditation, and the prevention of lifestyle-related diseases. These health-centred programmes are also extended to contractual employees to encourage participation. Through these efforts, we aim to foster a culture of health and well-being throughout our organisation.

## Instilling a Safety Culture and Mindset

We are embedding a safety-first mindset across our operations through a comprehensive strategy. Practical safety training equips employees with essential knowledge and skills, enhancing their understanding of safety practices and ensuring active contributions to a safer work environment. We actively promote safety awareness through both formal and informal communication channels, including quizzes, EHS competitions, and safety drills.

Additionally, we participate in initiatives such as National Safety Week and Fire Service Week to reinforce the importance of safety across our operations. Recognising and rewarding individuals who demonstrate exceptional commitment to safety is a cornerstone of our strategy, inspiring others to prioritise safety in their daily routines. Our leadership actively embeds a safety-first mindset throughout the organisation, reinforced by scheduled EHS rounds led by the Site Leadership Team (SLT), Shift/Block in-charges and EHS professionals, ensuring accountability and responsibility at every level. We measure and understand our EHS culture to gain insights that shape and strengthen safety.[95]

The 'EHS Culture Meter' is instrumental in assessing the effectiveness of our safety training programmes and initiatives across roles and functions. By evaluating engagement, compliance, and integration of safety factors into our existing safety management systems, our EHS governance team identifies strengths and areas requiring additional focus. This ongoing evaluation ensures we remain proactive, continuously striving for improvement and excellence in our safety practices.

## EHS Culture Building
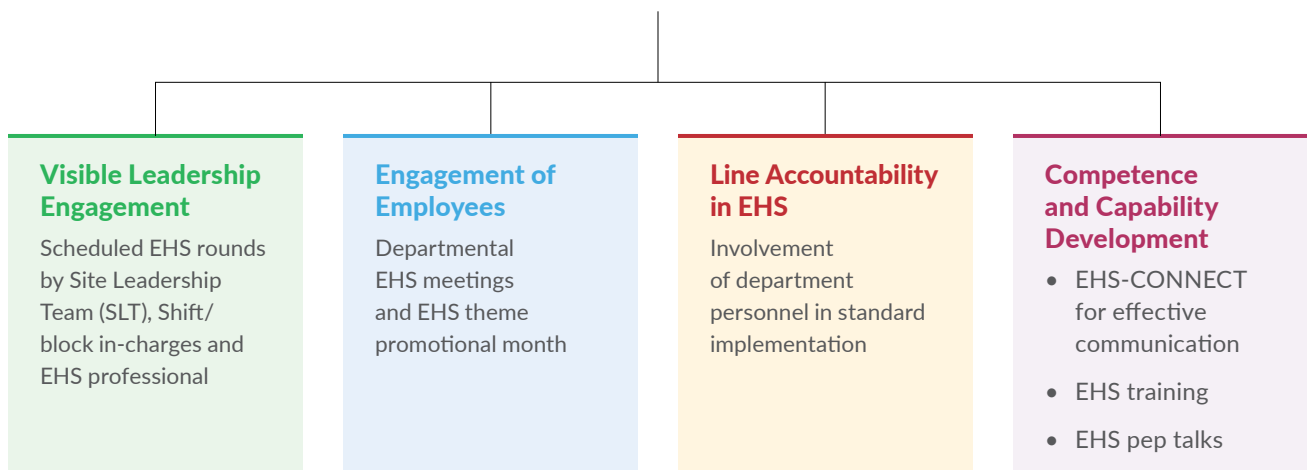
### Visible Leadership Engagement

Scheduled EHS rounds by Site Leadership Team (SLT), Shift/ block in-charges and EHS professional

### Engagement of Employees

Departmental EHS meetings and EHS theme promotional month

### Line Accountability in EHS

Involvement of department personnel in standard implementation

### Competence and Capability Development

- EHS-CONNECT for effective communication
- EHS training
- EHS pep talks

# Employee Health, Safety and Well-being

I   II   III   IV   V   VI   **VII**   VIII   IX

## Safety Performance in FY25

## Safety Metrics for Work-related Injuries[96]

| Description | Employees | Workers |
|---|---|---|
| **Fatalities (as a result of work-related injury)** | 0 | 0 |
| **High-consequence work-related injuries (excluding fatalities)** | 0 | 0 |
| **Recordable work-related injuries** | 47 | 17 |
| **Man hours worked** | 44,173,589 | 23,243,829 |
| **Rate of fatalities*** | 0 | 0 |
| **Rate of high-consequence work-related injuries (excluding fatalities) *** | 0 | 0 |
| **Rate of recordable work-related injuries*** | 0.213 | 0.146 |

*Rates have been calculated as per 200,000 man-hours worked.

## Safety Metrics for Work-related ill Health[97]

| Description | Employees | Workers |
|---|---|---|
| **Fatalities** | 0 | 0 |
| **Recordable cases** | 0 | 0 |

## Addressing Mental Health

We prioritise mental health and overall well-being through regular awareness and support sessions that equip employees with tools to manage stress and navigate challenges effectively. These initiatives foster a culture of resilience, openness, and mutual support, creating a safe and inclusive work environment. To further strengthen this commitment, we offer Mann Talks—a free, confidential counselling helpline available to all employees—providing a secure space for discussion, guidance, and professional assistance.

As part of our commitment to holistic employee well-being, we complement our mental health initiatives by celebrating International Yoga Day across all operations. We provide dedicated spaces for yoga and mindfulness practices, fostering calmness, focus, and renewed energy. Recognising the vital role of physical fitness in overall wellness, we also implement comprehensive employee welfare programs that promote sports and health activities.



Recognising the importance of physical fitness in overall well-being, we have implemented a variety of employee welfare initiatives that focus on sports and health programmes. We encourage participation in sports activities at every location to foster teamwork and mutual trust. We organise sports competitions during our Family Day event to encourage employee family participation, foster connections among colleagues, and enhance community well-being. Our efforts promote a supportive environment that prioritises the physical and mental health of our workforce.

[96]GRI 403-9 | [97]GRI 403-10

# Communities

# Communities

# Transforming Lives, Building Futures

At Sun Pharma, our CSR initiatives reflect our core mission of 'Reaching People, Touching Lives.' We support programmes focused on healthcare, education, livelihoods, and climate action, aiming to create lasting, positive change in the communities we serve.[98]

## Aligned with UN SDGs

### Healthcare
- Medicines Support
- Healthcare Infrastructure
- Cancer Care
- Elimination of Malnutrition
- Eye Care Facility
- Mobile Healthcare Unit

**SDGs:** 3 GOOD HEALTH AND WELL-BEING

### Education
- Anganwadi Development Programme
- Model School Development Programme
- Promotion of Scientific, Medical and Pharmaceutical Research

**SDGs:** 4 QUALITY EDUCATION

### Sustainable Livelihood
- Skill Development Programme
- Entrepreneurship Development Programme

**SDGs:** 5 GENDER EQUALITY   8 DECENT WORK AND ECONOMIC GROWTH

### Climate Action
- Water Conservation Programme
- Rural Infrastructure Development Projects
- Plantation Project
- Disaster Response
- Protection and promotion of wildlife
- Smokeless Chulha Distribution

**SDGs:** 7 AFFORDABLE AND CLEAN ENERGY   11 SUSTAINABLE CITIES AND COMMUNITIES   13 CLIMATE ACTION   15 LIFE ON LAND

[98]GRI 3-3

# Communities

## Our CSR Vision

We aim to achieve comprehensive development for underserved communities in a sustainable and meaningful way.

## Our CSR Mission

We will leverage the expertise of our people and connections to meet the needs of the communities we serve, promoting holistic development.

## Objectives

### Community Service

Emphasising giving back to the community and meeting their needs, using a bottom-up planning method to better understand what the community requires.

### Ensuring Sustainability

Implementing initiatives that respond to essential community needs while aiming for long-term sustainability.

### Using Resources Effectively

Utilisation of internal abilities, such as research, marketing, finance, human resources, and products, to enhance the effectiveness of our social programmes.

## Our Focus Areas

**Health**

**Education**

**Sustainable Livelihood**

**Climate Action**

## Our Governance Structure

### Board of Directors

- Constitutes the CSR Committee
- Approves the CSR Policy
- Approves the annual CSR budget and proposed projects
- Discloses CSR-related information in the Board's report and ensures legal compliance

### CSR Committee

- Develops and updates the CSR Policy
- Recommends the CSR budget
- Suggests the annual action plan and CSR projects
- Reviews and oversees progress of CSR activities

### Plant/Field CSR Teams

- Collects and verifies CSR programme requests from the community
- Recommends programmes to the corporate CSR team
- Assists implementation partners with community and government approvals
- Engages employees in CSR activities
- Shares regular progress reports with the corporate CSR team

### NGO/Other Implementing Partners

- Designs and implements CSR programmes
- Supports capacity building of partners
- Monitors programmes' impact on stakeholders
- Submits regular reports to the company

# Communities

## Driving Social Progress

Our CSR efforts are driven by a well-defined CSR policy and strategy that focuses on critical social impact aspects, with the aim of empowering society and fostering sustainable development for local communities.

Approved by our Board, the CSR Policy provides a structured approach to implementing programmes. These initiatives are strictly aligned with Section 135 of the Companies Act, 2013, and the Companies (CSR Policy) Rules, 2014.

We are dedicated to improving lives through focused interventions in healthcare, education, water and sanitation, environmental sustainability, rural development, and other emerging social needs. To ensure our efforts are effective and far-reaching, we regularly conduct detailed assessments of community needs. This helps us identify specific challenges and tailor our initiatives to deliver meaningful and impactful support where it's needed most.[99]

Throughout the reporting period, Sun Pharma's operations did not negatively impact surrounding communities.[100]

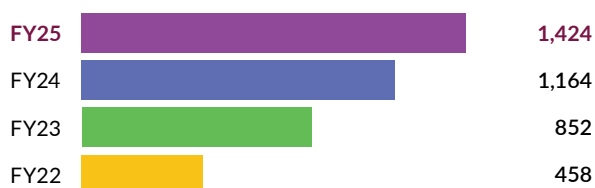### ₹ 1,424 Mn
Spend on CSR initiatives in FY 25

### 4.47+ Mn
Beneficiaries reached through CSR initiatives

## CSR Expenditure (in ₹ Mn)

| | | |
|---|---|---|
| **FY25** | | 1,424 |
| FY24 | | 1,164 |
| FY23 | | 852 |
| FY22 | | 458 |

## CSR Impact (Beneficiaries Reached) (in Mn)

| | | |
|---|---|---|
| **FY25** | | 4.47 |
| FY24 | | 1 |

# Communities

**Creating Sustainable Impact for the Future[101]**

## Health and Well-being

### UN SDGs Linkage

**3 GOOD HEALTH AND WELL-BEING**

### Objective

Enhancing community health by making medical treatments more affordable, ensuring access to trustworthy health information, and promoting proactive and informed healthcare decisions.

### Key Initiatives in FY25

- Focusing on health education and behaviour change by conducting street plays and community competitions addressing maternal and child health, safe motherhood, family planning, disease awareness (TB, malaria, HIV/AIDS), female feticide, breast cancer, and eye health.

- Strengthening public healthcare facilities by upgrading PHCs, Health and Wellness Centres, CHCs, and District Hospitals with improved infrastructure, WASH facilities, and advanced medical equipment to ensure accessible and quality care in underserved regions.

- Ensuring access to clean drinking water in rural communities by constructing storage tanks, pipeline networks, community water systems, and installing Water ATMs to provide clean water to households.

- Addressing low cancer screening rates by conducting preventive healthcare campaigns focused on hygiene, nutrition, and early disease detection, raising awareness about NCDs (oral, breast, cervical cancers), increasing screening among vulnerable women, and organising free cancer screening camps through the 'SUNKalp' initiative.

- Improving cardiac emergency response by conducting hands-on CPR training and awareness sessions in public spaces, educating participants on heart health, risk factors, and emergency actions, with expert-led demonstrations and practical learning.

- Supporting action-research to treat Moderate Acute Malnutrition in children aged 6–18 months by evaluating Microbiota-Directed Complementary Food (MDCF) in partnership with CMC Vellore, aimed at restoring gut health and promoting better growth.

- Enhancing diabetes management through engaging, bilingual educational booklets developed in partnership with Amar Chitra Katha, using storytelling to explain symptoms, risk factors, complications, and practical lifestyle tips in an accessible format.

- Improving medication safety and patient care by facilitating collaborative dialogue among healthcare professionals, patients, and caregivers through the National Consultation on Medication and Patient Safety, led by experts and organised as a CSR initiative.

- Establishing a preventive eye care mechanism in schools by raising awareness among teachers, parents, and students, detecting refractive errors early, and developing a sustainable model for regular eye screenings to improve children's vision, academic performance, and attendance.

- Providing affordable and comprehensive care through a 100-bed cancer facility and a 50-bed eye care institute under construction in Wadala, Mumbai, equipped with advanced medical technologies to serve patients from diverse socio-economic backgrounds.





## 1,96,124
No. of patients given curative treatment in the clinic by doctors

## 35
PHCs upgraded, benefitting 1,26,209 patients

## 1,27,012
People accessing safe water - 38 community water drinking units and other structures

## ₹ 270.56 Mn
Total spend in FY25

[101]GRI 413-1

# Communities

## Education

### UN SDGs Linkage

**4 QUALITY EDUCATION**

### Objective

Enhancing the quality of students' educational experience by investing in robust infrastructure, promoting skill development, and encouraging holistic growth.

### Key Initiatives in FY25

- Transforming schools into holistic, student-friendly environments by upgrading infrastructure, enhancing digital learning, improving sanitation, and ensuring access to safe drinking water to boost enrolment, attendance, and learning outcomes.

- Improving early childhood care by constructing and renovating Anganwadi centres to create safe, inclusive spaces with essential facilities for children under six and expecting or nursing mothers in rural communities.

- Transforming government classrooms into smart learning spaces through the 'Chalk to Click' initiative by installing Smart TVs with pre-loaded animated lessons, enabling interactive, gamified learning aligned with SCERT curriculum to boost engagement, concept retention, and teacher empowerment.

- Inspiring and empowering youth in Sikkim through 'Sun Talks' by facilitating interactive sessions with achievers from diverse fields, encouraging meaningful discussions to build confidence, navigate challenges, and envision a brighter future.

- Encouraging young talent in Biomedical and Pharmaceutical Sciences through the Science Scholar Fellowship, awarded to promising researchers following a rigorous selection process to nurture the next generation of scientists in India.





**1.86 Mn**
Children benefitted through 888 Sampark TV Smart Classrooms

**3,246**
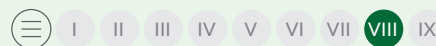Children benefited through 19 newly-constructed Anganwadis

**3,253**
Benefitted through local sports sponsorship

**₹939.84 Mn**
Total spend in FY25

# Communities

## Sustainable Livelihoods

### UN SDGs Linkage

**5** GENDER EQUALITY

**8** DECENT WORK AND ECONOMIC GROWTH

### Objective

Enhancing economic well-being in underserved communities by promoting skill development, entrepreneurship, and agriculture-based livelihoods, especially among women and youth, is aligned with UN SDG goals on gender equality and decent work.

### Key Initiatives in FY25

- Training youth for employment by delivering a comprehensive Skill to Employability course in Ahilyanagar, blending theoretical learning, hands-on technical training, soft skills development, and mock interviews to prepare candidates for roles like Assistant Electrician and PCB Operator

- Empowering women from low-income backgrounds by establishing Sewing Training-cum-Production Centres, providing intensive skill training, ongoing support, and market linkages to promote self-reliance and sustainable micro-enterprises in underserved communities.

- Transforming youth employability by delivering placement-linked skill development in BFSI and Retail sectors, equipping individuals aged 18–35 with industry-relevant skills, boosting confidence, and enabling financial independence in alignment with local job market needs.

- Empowering unemployed youth through skill development in Halol and Madurantakam by providing NSDC-certified vocational training in high-demand trades like tailoring, forklift operation, and nursing, along with essential soft skills such as email etiquette and communication.

- Empowering 400 women from low-income backgrounds by conducting a one-year entrepreneurship development programme combining classroom learning, industry exposure, and hands-on training in food processing, parcel services, and garment-making to promote economic independence and community upliftment.

- Supporting young athletes from economically weaker sections in Sikkim and Assam by providing access to proper nutrition, standard sports equipment, and training facilities to help overcome barriers and unlock their full potential.

**400**
Women trained in entrepreneurship

**98%**
Trained participants were placed in reputed companies due to the Placement-Linked Skill Development Programme in Ahilyanagar

**834**
Youth/women skilled

**₹28.48 Mn**
Total spend in FY25

# Communities

## Climate Action

### UN SDGs Linkage

**7** AFFORDABLE AND CLEAN ENERGY
**11** SUSTAINABLE CITIES AND COMMUNITIES
**13** CLIMATE ACTION
**15** LIFE ON LAND

### Objective

Promoting environmental stewardship by advancing climate resilience through water conservation, afforestation, renewable energy, and wildlife protection, aligned with UN SDG goals on clean energy, climate action, sustainable cities and communities and life on land.

### Key Initiatives in FY25

- Addressing climate change by conserving water through watershed restoration, rainwater harvesting, sustainable farming, and protection of local water bodies was implemented in collaboration with communities, local governments, and civil society partners.

- Addressing water scarcity in Dhari taluka by improving irrigation practices, reducing groundwater stress from flood irrigation, and supporting sustainable Rabi cultivation to strengthen local livelihoods dependent on seasonal farming.

- Advancing environmental sustainability by planting over 20 Lakh saplings using traditional and Miyawaki methods across seven states, enhancing green cover and sequestering over two million metric tonnes of $CO_2$ over five years.

- Responding to disaster-affected communities by distributing ration kits and essential supplies in Ankleshwar, Maduranthakam, and Guwahati and supporting over 3,000 families impacted by floods and the Fengal Cyclone.

- Preserving the Vedanthangal Bird Sanctuary—home to over 30,000 seasonal birds and several threatened species like the Painted Stork and Spot-billed Pelican, to sustaining South India's rich avian biodiversity and its historic role in supporting irrigation through wetland conservation.

- Supporting the construction and renovation of community infrastructure[102] Such as kitchen sheds, solar lighting, garden benches, open gyms, and fencing for improving rural quality of life and promoting sustainable development, benefitting over 23,000 people.

- Transforming an unkempt area of Abhetva, Gujarat, into the vibrant Sun Pharma Academy for Community Empowerment (SPACE) Centre, a multi-functional space that promotes community engagement and empowerment





## 931
Solar streetlights installed through green initiatives

## 97,871
People benefitted due to 10.38 Mn KL water storage capacity

## 2,014,327+
Trees planted across 7 states

## ₹ 199.36 Mn
Total spend in FY25

## Memberships of Associations

We are members of the following trade and industry associations[103]:

**ASSOCHAM**
The Associated Chambers of Commerce of India (ASSOCHAM)

**FICCI**
The Federation of Indian Chambers of Commerce and Industry (FICCI)

**CII** Confederation of Indian Industry
Confederation of Indian Industry (CII)

**IDMA Indian Drug Manufacturers' Association Gujarat State Board**
Indian Drug Manufacturing Association (IDMA)

**FGi** Founded in 1918
Federation of Gujarat Industries (FGI)

**IPA** INNOVATION. QUALITY. GLOBAL REACH.
Indian Pharmaceutical Alliance (IPA)

**GEO** Gujarat Employers' Organisation
Gujarat Employers Organisation (GEO)

## Awards and Recognitions

Recognised amongst top 5% of global pharmaceutical companies in **S&P Global Sustainability Yearbook 2025**

**Rotary National CSR Award 2025** – West Region for SUnVidya Education Initiative

Awarded Gold at the prestigious **e4m Health & Wellness awards 2025** for Doctors Day Campaign

Featured in the Asia Book of record for **'Maximum Doctors Raised Diabetes Awareness through Social media and Radio Campaign'**

**Blackbuck Research Awards 2025:**
- Outstanding Research Institution Award for Medical Research
- Stellar Research Award for Medical Research

Awarded Silver at **Emvies 2025** for Doctors Day Campaign #SecondBirthDate

Winner at the Doing Good for **Bharat Awards 2025** for our Climate Action Initiatives

Top Rated Pharma Company in **Ambition Box Employee Choice Awards 2025**

Recognised by ETHR World for **'Most Innovative Talent Management Solution'**

**Dewas Facility:**
- Awarded Gold for excellence in sustainability, environmental consciousness and focus on health & safety by IGMC
- Diamond Five Star Award for outstanding performance in HSE by Madhya Pradesh Safety Council

# Reporting Boundary[104]

I  II  III  IV  V  VI  VII  VIII  **IX**

The following facilities and R&D centres have been considered as part of our reporting boundary for the data pertaining to environment, health and safety, and human resource parameters.

| Sr. No. | Facility Type | Site Location | State | Country |
|---|---|---|---|---|
| 1 | API (bulk drug) | Ahmednagar | Maharashtra | India |
| 2 | API (bulk drug) | Panoli | Gujarat | India |
| 3 | API (bulk drug) | Toansa | Punjab | India |
| 4 | API (bulk drug) | Dewas | Madhya Pradesh | India |
| 5 | API (bulk drug) | Maduranthakam | Tamil Nadu | India |
| 6 | API (bulk drug) | Ankleshwar | Gujarat | India |
| 7 | API (bulk drug) | Dahej | Gujarat | India |
| 8 | API (bulk drug) | Karkhadi | Gujarat | India |
| 9 | API (bulk drug) | Malanpur | Madhya Pradesh | India |
| 10 | API (bulk drug) | Haifa Bay | | Israel |
| 11 | API (bulk drug) | Latrobe | | Australia |
| 12 | API (bulk drug) | Port Fairy | | Australia |
| 13 | API (bulk drug) | Chattanooga | Tennessee | USA |
| 14 | Formulation | Karkhadi | Gujarat | India |
| 15 | Formulation | Dadra | Dadra and Nagar Haveli and Daman & Diu | India |
| 16 | Formulation | Dewas | Madhya Pradesh | India |
| 17 | Formulation | Halol | Gujarat | India |
| 18 | Formulation | Mohali | Punjab | India |
| 19 | Formulation | Poanta Sahib | Himachal Pradesh | India |
| 20 | Formulation | Baddi | Himachal Pradesh | India |
| 21 | Formulation | Baska | Gujarat | India |
| 22 | Formulation | Guwahati | Assam | India |
| 23 | Formulation | Jammu | Jammu | India |
| 24 | Formulation | Setipool | Sikkim | India |
| 25 | Formulation | Ranipool | Sikkim | India |
| 26 | Formulation | Kedah | | Malaysia |
| 27 | Formulation | New Brunswick | New Jersey | USA |
| 28 | Formulation | North Brunswick | New Jersey | USA |
| 29 | Formulation | Billerica | Massachusetts | USA |
| 30 | Formulation | Roodepoort | Johannesburg | South Africa |
| 31 | Formulation | Brampton | Ontario | Canada |
| 32 | Formulation | Haifa Bay | | Israel |
| 33 | Formulation | Cluj | | Romania |
| 34 | R&D centre | Tandalja | Gujarat | India |
| 35 | R&D centre | Gurugram | Haryana | India |
| 36 | R&D centre | Haifa Bay | | Israel |
| 37 | R&D centre | Brampton | Ontario | Canada |
| 38 | R&D centre | New Brunswick | New Jersey | USA |

[104]GRI2-2

# GHG Annexure

## Scope 1

| Category | Sub-category | Emission Factor Source | FY25 Emissions (tCO$_2$) |
|---|---|---|---|
| Stationary combustion | Fuel consumed in manufacturing operations | 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories | 38,729 |

## Scope 2

| Category | Sub-category | Emission Factor Source | FY25 Emissions (tCO$_2$) |
|---|---|---|---|
| Emission generated from the purchased electricity | Purchased electricity manufacturing | India-CO$_2$ baseline database for the Indian Power Sector User Guide, issued by the Central Electricity Authority, Government of India CEA (v. 20) guide - Dec 2024<br>Australia - Australian National Greenhouse Accounts Factors - 2024 (dcceew.gov.au)<br>Malaysia – Inception Report: Grid Electricity Emission Factors in Malaysia (meih.st.gov.my)<br>Canada-Emission Factors and Reference Values<br>Israel, South Africa, Romania – IFI Default Grid Factors 2021 v3.1 UNFCCC<br>USA - Emission Factors for Greenhouse Gas Inventories - 2024 (www.epa.gov) | 3,19,559 |

## Scope 3

| Category | Sub-category | Emission Factor Source | FY25 Emissions (tCO$_2$) |
|---|---|---|---|
| Purchased goods and services | Purchased goods and materials for raw materials, purchased materials | DEFRA 2021 – Supply Chain Emission Factors for Spending on Products | 1,15,140 |
| "Fuel and energy related activities (not included in Scope 1 or Scope 2)" | Fuel and energy related activities (not included in Scope 1 or Scope 2) | DEFRA 2024 Emissions Factor Database<br>India Specific Road Transport Emission Factors, 2015 – WRI – India GHG Programme<br>World Resource Institute (2017) – GHG protocol tool for mobile combustion Version 2.6 | 92,466 |
| Employee commute | Employee commute | India Specific Rail Transport Emission Factors for Passenger Travel and Material Transport, 2015 – WRI – India GHG Programme<br>IPCC WG3 AR5 Ch8 | 16,537 |
| Business travel | Air travel & hotel stay | DEFRA 2024 Emissions Factor Database | 4,714 |
| Upstream transportation and distribution | Domestic and international inbound | DEFRA 2024 Emissions Factor Database | 5,574 |
| Downstream transportation and distribution | Domestic and international outbound | DEFRA 2024 Emissions Factor Database | 38,446 |
| Waste generated in operations | Waste disposal | DEFRA 2024 Emissions Factor Database | 7,444 |

# GRI Index

| GRI Standard Number | | Description | Section/Sub-section Title | Page No. |
|---|---|---|---|---|
| GRI 2 – General Disclosure | 2-1 | Organisational details | About the Report | 1 |
| | 2-2 | Entities included in the organisation's sustainability reporting | Scope and Reporting Boundary | 1, 99 |
| | 2-3 | Reporting period, frequency, and contact point | About the Report | 1 |
| | 2-5 | External assurance | External Assurance | 1 |
| | 2-6 | Activities, value chain and other business relationships | Our Company, An Overview of Our Supply Chain Operations | 10, 50 |
| | 2-7 | Employees | Total Global Consolidated Workforce | 73 |
| | 2-8 | Workers who are not employees | Total Global Consolidated Workforce | 73 |
| | 2-9 | Governance structure and composition | Corporate Governance | 17 |
| | 2-10 | Nomination and selection of the highest governance body | Board Committees | 18 |
| | 2-11 | Chair of the highest governance body | Board of Directors | 17 |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | Board Committees | 18, 19 |
| | 2-13 | Delegation of responsibility for managing impacts | Board Committees, Board of Nomination and Renumeration | 18, 19 |
| | 2-14 | Role of the highest governance body in sustainability reporting | Board Committees, Board of Nomination and Renumeration | 18, 19 |
| | 2-15 | Conflicts of interest | Board of Nomination and Renumeration | 19,20 |
| | 2-16 | Communication of critical concerns | Board Committees | 18 |
| | 2-17 | Collective knowledge of the highest governance body | Corporate Governance | 18 |
| | 2-18 | Evaluation of the performance of the highest governance body | Board Evaluation, Board of Nomination and Renumeration | 19 |
| | 2-19 | Remuneration policies | Board of Nomination and Renumeration | 19 |
| | 2-20 | Process to determine remuneration | Board of Nomination and Renumeration | 18, 19 81 |
| | 2-21 | Annual total compensation ratio | Remuneration Paid/Payable to the Directors of the Company for FY25 | 19 |
| | 2-22 | Statement on sustainable development strategy | Message from the Chairman and Managing Director | 6 |
| | 2-23 | Policy commitments | Policies, Global Code of Conduct | 20 |
| | 2-24 | Embedding policy commitments | Policies, Global Code of Conduct | 20 |
| | 2-25 | Processes to remediate negative impacts | Grievance Redressal | 20 |
| | 2-26 | Mechanisms for seeking advice and raising concerns | Grievance Redressal | 20 |

# GRI Index

I  II  III  IV  V  VI  VII  VIII  IX

| GRI Standard Number | | Description | Section/Sub-section Title | Page No. |
|---|---|---|---|---|
| | 2-27 | Compliance with laws and regulations | Grievance Redressal, Environmental Governance Framework | 20, 54 |
| | 2-28 | Membership associations | Memberships of Associations | 103 |
| | 2-29 | Approach to stakeholder engagement | Gaining Insights: Our Stakeholder Engagement Approach | 34 |
| | 2-30 | Collective bargaining agreements | Commitment to Human Rights | 83 |
| GRI 3 – Material Topics | 3-1 | Process to determine material topics | Assessing Materiality: Evaluating Impact and Importance | 37 |
| | 3-2 | List of material topics | Materiality Matrix – FY25 | 38 |
| | 3-3 | Management of material topics | Assessing Materiality: Evaluating Impact and Importance | 37, 40, 43, 47, 50, 56, 59, 61, 63, 76, 78, 79, 84, 91 |
| GRI 201 – Economic Performance | 201-1 | Direct economic value generated and distributed | Financial Performance | 12 |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | Climate Risk Management | 67 |
| | 201-3 | Defined benefit plans, obligations and other retirement plans | Employee Benefits | 82 |
| GRI 202 – Market Presence | 202-1 | Ratios of standard entry-level wages by gender compared to the local minimum wage | Equal Pay Assessment | 81 |
| GRI 203 – Indirect Economic Impacts | 203-1 | Infrastructure investments and services supported | Key Initiatives in FY25 | 97 |
| GRI 204 – Procurement Practices | 3-3 | Management of material topics | Sustainable Supply Chain | 50 |
| | 204-1 | Proportion of spending on local suppliers | Local Sourcing | 51 |
| GRI 205 – Anti-corruption | 205-1 | Operations assessed for risks related to corruption | Whistleblower Mechanism | 20 |
| | 205-2 | Communication and training about anti-corruption policies and procedures | Global Code of Conduct | 20 |
| | 205-3 | Confirmed incidents of corruption and actions taken | Whistleblower Mechanism | 20 |
| GRI 206 – Anti-competitive Behaviour | 206-1 | Legal actions for anticompetitive behaviour, antitrust, and monopoly practices | Global Code of Conduct | 20 |
| GRI 302 – Energy | 3-3 | Management of material topics | Energy Consumption | 56 |
| | 302-1 | Energy consumption within the organisation | Energy Consumption | 56 |
| | 302-3 | Energy intensity | Total Energy Consumption Intensity | 56 |
| | 302-4 | Reduction of energy consumption | Energy-efficiency Measures | 53, 58 |

# GRI Index

| GRI Standard Number | | Description | Section/Sub-section Title | Page No. |
|---|---|---|---|---|
| GRI 303 – Water and Effluents | 3-3 | Management of material topics | Water Stewardship | 63 |
| | 303-1 | Interactions with water as a shared resource | Water Stewardship | 63 |
| | 303-2 | Management of water discharge-related impacts | Water Stewardship | 63 |
| | 303-3 | Total water withdrawal by source | Water Withdrawal by Sources | 63 |
| | 303-4 | Water discharge | Water Discharge | 64 |
| | 303-5 | Water consumption | Water Consumption | 64 |
| GRI 305 – Emissions | 3-3 | Management of material topics | Emission Management | 59 |
| | 305-1 | Direct (Scope 1) GHG emissions | Scope 1 GHG Emissions | 59 |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | Scope 2 GHG Emissions | 59 |
| | 305-3 | Other indirect (Scope 3) GHG emissions | Scope 3 GHG Emissions | 60 |
| | 305-4 | GHG emissions intensity | Scope 1 GHG Emissions, Scope 2 GHG Emissions | 59 |
| | 305-5 | Reduction of GHG emissions | Environmental Performance FY25 Minimise and Decarbonise | 58 |
| | 305-6 | Emissions of ozone-depleting substances (ODS) | Emission of Ozone-depleting Substances (ODS) | 60 |
| | 305-7 | Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and other significant air emissions | Other Air Emissions | 60 |
| GRI 306 – Waste | 3-3 | Management of material topics | Waste Management | 61 |
| | 306-1 | Waste generation and significant waste-related impacts | Waste Management | 61 |
| | 306-2 | Management of significant waste-related impacts | Waste Management | 61 |
| | 306-3 | Waste generated | Type of Waste Generated | 61 |
| | 306-4 | Waste diverted from disposal | Waste Diverted from Disposal | 61 |
| | 306-5 | Waste directed to disposal | Waste Directed to Disposal | 62 |
| GRI 401 – Employment | 3-3 | Management of material topics | Talent Management | 78 |
| | 401-1 | New employees hired and employee turnover | New Hires for FY25 | 78 |
| | 401-2 | Benefits provided to full-time employees | Employee Benefits | 82 |
| | 401-3 | Parental leaves | Employee Benefits | 82 |

# GRI Index

| GRI Standard Number | | Description | Section/Sub-section Title | Page No. |
|---|---|---|---|---|
| GRI 403 – Occupational Health and Safety | 3-3 | Management of material topics | Our Proactive Approach to Occupational Health and Safety | 84 |
| | 403-1 | Occupational health and safety management system | Our Proactive Approach to Occupational Health and Safety | 84 |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | Hazard Identification, Risk Assessment, and Incident Investigation | 86 |
| | 403-3 | Occupational health and safety | Employee Health Management System | 88 |
| | 403-4 | Worker participation, consultation and communication on occupational health and safety | Instilling Culture and Mindset of Safety | 88 |
| | 403-5 | Worker training on occupational health and safety | Five Pillars of Our OHS Management System | 84 |
| | 403-6 | Promotion of worker health | Employee Health Management System | 88 |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Hazard Identification, Risk Assessment, and Incident Investigation | 84, 86 |
| | 403-8 | Workers covered by an occupational health and safety management system | Employees Covered by OHS Management System | 84 |
| | 403-9 | Work-related injuries | Safety Performance in FY25 | 89 |
| | 403-10 | Work-related ill health | Safety Performance in FY25 | 89 |
| GRI 404 – Training and Education | 3-3 | Management of material topics | Talent Management and Continuous Learning | 79 |
| | 404-1 | Average hours of training per year per employee | Average Training Hours for FY25 | 79 |
| | 404-2 | Programs for upgrading employee skills and transition assistance programmes | Workforce Resilience and Well-Being | 79 |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | Annual Assessments for Performance Management | 79 |
| GRI 405 – Diversity and Equal Opportunity | 3-3 | Management of material topics | Workforce Resilience and Well-Being | 73 |
| | 405-1 | Diversity of governance bodies and employees | Building Empowered Teams | 73 |
| | 405-2 | Ratio of basic salary and remuneration of women to men | Equal Pay Assessment | 81 |
| GRI 406 – Non-discrimination | 406-1 | Incidents of discrimination and corrective actions taken | Commitment to Human Rights | 83 |
| GRI 407 – Freedom of Association and Collective Bargaining | 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Commitment to Human Rights | 83 |
| GRI 408 – Child Labour | 408-1 | Operations and suppliers at significant risk for incidents of child labour | Commitment to Human Rights | 83 |
| GRI 409 – Forced or Compulsory Labour | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labour | Commitment to Human Rights | 83 |

# GRI Index

I  II  III  IV  V  VI  VII  VIII  IX

| GRI Standard Number | | Description | Section/Sub-section Title | Page No. |
|---|---|---|---|---|
| GRI 410 – Security Practices | 410-1 | Security personnel trained in human rights policies or procedures | Commitment to Human Rights | 83 |
| GRI 413 – Local Communities | 3-3 | Management of material topics | Communities | 91 |
| | 413-1 | Operations with local community engagement, impact assessments, and development programmes | Driving Social Progress, Health and Well-being | 93 |
| | 413-2 | Operations with significant actual and potential negative impacts on local communities | Driving Social Progress | 93 |
| GRI 416 – Customer Health and Safety | 3-3 | Management of material topics | Patient Safety | 40 |
| | 416-1 | Assessment of the health and safety impacts of product and service categories | Patient Safety | 40 |
| | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Patient Safety | 40 |
| GRI 417 – Marketing and Labelling | 3-3 | Management of material topics | Responsible Product Stewardship | 43 |
| | 417-1 | Requirements for product and service information and labelling | Responsible Product Stewardship | 43 |
| | 417-2 | Incidents of non-compliance concerning product and service information and labelling | Responsible Product Stewardship | 43 |
| | 417-3 | Incidents of non-compliance concerning marketing communications | Responsible Product Stewardship | 43 |
| GRI 418 – Customer Privacy | 3-3 | Management of material topics | Innovation and Technology | 47 |
| | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Innovation and Technology | 47 |

# United Nations Global Compact (UNGC) Index

I  II  III  IV  V  VI  VII  VIII  IX

| Area | Principle | Statement | Page No. |
|---|---|---|---|
| Human Rights | Principle 1 | Businesses should support and respect the protection of internationally proclaimed Human Rights | 83 |
| | Principle 2 | Businesses should make sure that they are not complicit in Human Rights abuses | 83 |
| Labour | Principle 3 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | 83 |
| | Principle 4 | The elimination of all forms of forced and compulsory labour | 83 |
| | Principle 5 | The effective abolition of child labour; and | 83 |
| | Principle 6 | The elimination of discrimination in respect of employment and occupation | 83 |
| Environment | Principle 7 | Businesses should support a precautionary approach to environmental challenges | 52-70 |
| | Principle 8 | Businesses should undertake initiatives to promote greater environmental responsibility | 52-70 |
| | Principle 9 | Businesses should encourage the development and diffusion of environmentally friendly technologies | 52-70 |
| Anti-Corruption | Principle 10 | Businesses should work against corruption in all its forms, including extortion and bribery | 20 |

# Assurance Statement

I II III IV V VI VII VIII IX

Page **1** of 4

## INDEPENDENT ASSURANCE STATEMENT
### to the Management of Sun Pharmaceutical Industries Limited

Sun Pharmaceutical Industries Limited (Corporate Identity Number L24230GJ1993PLC019050, (hereafter mention as 'Sun Pharma' or 'the Company') commissioned DNV Business Assurance India Private Limited ("DNV"," us" or "we") to conduct an independent assurance of its sustainability non-financial disclosures in its Sustainability Report (hereafter referred as 'Report') for Financial Year (FY) 2024-25.

### Scope of Work and Boundary

The agreed scope of work is a Limited Level of assurance of non-financial sustainability disclosures in the Report for the reporting period 01/04/2024 to 31/03/2025. The reported topic boundaries of non-financial sustainability performance are based on the materiality assessment as mentioned in 'Stakeholder Engagement and Materiality Assessment' section of the report, covering the Company's operations and reporting boundary as brought out in the section 'About the Report' of the report.

Based on the agreed scope with the Company, the boundary of limited level of assurance covers the operations of Sun Pharma across all global locations at consolidated level as mentioned in the section 'About the Report' of the report.

### Reporting Criteria and Standards

- "with reference" to requirements of Global Reporting Initiative (GRI) standards 2021
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard

### Assurance Methodology/ Standard

DNV carried out assurance engagement in accordance with DNV's VeriSustain™ protocol (V6.0), which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information.* DNV's VeriSustain™ Protocol (V6.0) has been developed in accordance with the most widely accepted reporting and assurance standards.
Apart from DNV's VeriSustain™ protocol (V6.0), DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification and validation of greenhouse gas statements for verification of greenhouse gas (GHG) disclosures*.

### Our competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO/IEC 17029:2019- Conformity Assessment – General principles and requirements for validation and verification bodies and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. DNV has complied with the Code of Conduct during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e FY 2024-25, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

### Basis of our conclusion

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of Sun Pharma. We carried out the following activities:
- We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders.
- Reviewed the disclosures in the report. Our focus included general disclosures, GRI topic specific disclosures and other material disclosures specified under the reporting framework.
- Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in report.
- Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting requirements. Collect and evaluate documentary evidence and management representations supporting adherence to the reporting requirements.
- Interviews with the senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected GRI disclosures.
- DNV audit team conducted on-site audits for corporate offices and sites (refer Annexure II). Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
- Reviewed the process of reporting as defined in the assessment criteria.

# Assurance Statement

**DNV**

Page **2** of 4

### Our Conclusion:

On the basis of the assessment undertaken, for GRI disclosures as mentioned in Annexure I, nothing has come to our attention to suggest that the disclosures are not fairly stated and are not prepared, in all material aspects, as per the above reporting criteria.

**Principles as per DNV VeriSustain™ Protocol (V6.0)**

**1. Materiality**

*The process of determining the issues that are most relevant to an organization and its stakeholders.*
The Report explains the materiality assessment process carried out by the Company which has considered concerns of internal and external stakeholders, and inputs from peers and the industry, as well as issues of relevance in terms of impact for Sun Pharma's business. *Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.*

**2. Stakeholder inclusiveness**

*The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.*
The Report brings out the stakeholders who have been identified as significant to the Company, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and needs of each stakeholder group which have been identified through these channels of engagement are further brought out in the Report. *Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness*

**3. Responsiveness**

*The extent to which an organization responds to stakeholder issues.*
The Report adequately brings out the Sun Pharma's policies, strategies, management systems and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups. *Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.*

**4. Reliability/Accuracy**

*The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.*
The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The majority of information mapped with data verified through our on-site and remote assessments with Sun Pharma's management teams and process owners at the Corporate Office and sampled sites within the boundary of the Report were found to be fairly accurate and reliable. Some of the data inaccuracies identified in the report during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction. *Nothing has come to our attention to believe that the Report does not meet the principle of Reliability and Accuracy.*

**5. Completeness**

*How much of all the information that has been identified as material to the organization and its stakeholders is reported?*
The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of Principle of Completeness. *Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.*

**6. Neutrality/Balance**

*The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.*
The Report brings out the disclosures related to Sun Pharma's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment. *Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.*

**7. Sustainability Context**

*This addresses the requirement related to the presentation of the organization's performance in its own sustainability and general business context, i.e. a local, regional and international context.*
The Report outlines how the Company monitors and evaluates its impacts across local, regional and global sustainability contexts. It reflects the Company's efforts to align its performance with broader societal needs and planetary boundaries to monitor, measure and evaluate its significant direct and indirect impacts linked to identified material topics across the Company, its significant value chain entities and key stakeholder groups. *Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Sustainability Context.*

# Assurance Statement

**DNV**

Page **3** of 4

## Responsibility of the Company

Sun Pharma has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and ensuring the quality and consistency of the information presented in the Report. Sun Pharma is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website.

## DNV's Responsibility

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

## Use and distribution of Assurance statement

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this assurance statement. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

### Inherent Limitations

DNV's assurance engagement assume that the data and information provided by the Company to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. The assurance scope has the following limitations:

• The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
• DNV has not been involved in the evaluation or assessment of any financial data/performance of the company. DNV's opinion on financial disclosures relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
• The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
• Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
• The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
• The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
• The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
• Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
• The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

The use of this assurance statement shall be governed by the terms and conditions of the contract between DNV and the Sun Pharma and DNV does not accept any liability if this assurance statement is used for an alternative purpose from which is intended, not to any third party in respect of this assurance statement.

| For DNV Business Assurance India Private Limited, | |
|---|---|
| **Parab, Ankita** Digitally signed by Parab, Ankita Date: 2025.09.10 16:06:17 +05'30' | **Sharma, Anjana** Digitally signed by Sharma, Anjana Date: 2025.09.10 16:29:29 +05'30' |
| Ankita Parab Lead Verifier | Anjana Sharma Assurance Reviewer |
| Assurance Team: Goutam Banik, Sudharshan K., Varsha Bohiya, Syed Rameez | |

**10/09/2025, Mumbai, India.**

# Assurance Statement

I  II  III  IV  V  VI  VII  VIII  IX

**DNV**

Page **4** of 4

## Annexure I

GRI Disclosures assured for Limited level of assurance:

- GRI 2: General Disclosures 2021;
- GRI 3- Material Topics 3-1, 3-2;
- GRI 203: Indirect Economic Impacts 2016- 203-1;
- GRI 204: Procurement Practices 2016- 204-1;
- GRI 205: Anti-corruption 2016 – 205-1, 205-2, 205-3;
- GRI 206: Anti-competitive Behavior 2016 – 206-1;
- GRI 302: Energy 2016 – 302-1, 302-3, 302-4;
- GRI 303: Water and Effluents 2018 – 303-1, 303-2, 303-3, 303-4, 303-5;
- GRI 305: Emissions 2016 –305-1*, 305-2**, 305-3***, 305-4, 305-6, 305-7;
- GRI 306: Waste 2020 – 306-1, 306-2, 306-3; 306-4; 306-5;
- GRI 401: Employment 2016 – 401-1, 401-2, 401-3;
- GRI 403: Occupational Health & Safety 2018 – 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10;
- GRI 404: Training and Education 2016 – 404-1, 404-2, 404-3;
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1, 405-2;
- GRI 406: Non-discrimination 2016 – 406-1;
- GRI 407: Freedom of Association and Collective Bargaining 2016 – 407-1;
- GRI 408: Child Labor 2016 - 408-1;
- GRI 409: Forced or Compulsory Labor 2016 – 409-1;
- GRI 410: Security Practices 2016 – 410-1;
- GRI 413: Local Communities 2016 – 413-1, 413-2;
- GRI 416: Customer Health and Safety 2016 – 416-1, 416-2;
- GRI 417: Marketing and Labeling 2016 – 417-1, 417-2, 417-3;
- GRI 418: Customer Privacy 2016 – 418-1.

Notes:
* Scope 1 GHG emissions are calculated based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC sixth assessment report and Montreal Protocol on substances that deplete the ozone layer, 2022. Fugitive emissions from refrigerant refilling are not reported in Scope 1 emissions.
** Scope 2 GHG emissions for Indian operations are calculated based on the Grid Electricity EF - Central Electricity Authority, Govt. of India, $CO_2$ baseline database for Indian Power Sector, version 20, December 2024 and for global emissions it is calculated based on US EPA GHG Emission Factors Hub 2025, IFI Default Grid Factors 2021 and national grid emission factors.
*** Scope 3 GHG emissions are calculated for Categories 1, 3, 4, 5, 6, 7 and 9 as per GHG Protocol. Scope 3 GHG emissions are calculated based on USEEIO 2021 and UK DEFRA - Conversion Factors 2024.

## Annexure II

### Sites selected for audits

| S.no | Site | Location |
|------|------|----------|
| 1. | Corporate Office | Mumbai, Maharashtra |
| 2. | Manufacturing plants- on-site audit | Halol, Gujarat<br>Dahej, Gujarat<br>Panoli, Gujarat<br>Ahmednagar, Maharashtra |
| 3. | Manufacturing plants- remote audit | Paonta Sahib, Punjab<br>Dadra<br>Guwahati, Assam<br>Malaysia<br>South Africa |