

Message from the Executive Chairman⁶



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.

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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