



Corporate Governance

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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 Directors⁹ 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 Shangvi
Chairman & Managing Director



Mr. Aalok D Shangvi
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

⁹GRI 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 committees¹⁰ 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 Board¹¹ 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 policies¹² 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.

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 term¹⁴. 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 Report¹⁵:

 [SPIL-Annual-Report-2024-25.pdf](#)

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/SPII-Annual-Report-2024-25.pdf>.

The table below outlines the remuneration paid to our Board for the reporting year²⁰ **

Director	Salary	Variable Pay	Bonus	Prerequisites/ Benefits	Sitting Fees	Commission to Independent Directors	Total	(Amount in ₹ Million)
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

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 them²⁵. 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.