

Message from the Chairman and Managing Director



Dear Stakeholders⁶,

Sustainability has become pivotal in building a more equitable, environmentally conscious, and sustainable future for the society. Sustainability is also imperative for achieving economic stability and social cohesion. At Sun Pharma, our vision of 'Reaching People And Touching Lives Globally As A Leading Provider of Valued Medicines' inspires us to collaborate and co-create solutions with our stakeholders that positively impacts the society.

We continue to focus on delivering sustainable outcomes for all our stakeholders. Sustainability is an integral part of our way of doing business and we remain steadfast in our commitment to align our strategy with universal Environmental, Social and Governance (ESG) principles and to undertake the requisite steps for further advancing societal goals. We have implemented a comprehensive framework that includes key elements of ESG to deliver sustainable outcomes for all our stakeholders.

I am happy to let you know that Sun Pharma has been included in the S&P Global Sustainability Yearbook 2024. This Yearbook aims to distinguish those companies that have demonstrated strengths in corporate sustainability within respective industries.

Our Sustainability Report for FY24, provides critical insights into our sustainability journey, our focus areas, our achievements and our medium and long-term goals.

Environmental Stewardship and Climate Action

Being cognizant of our impact on the environment, we have an unwavering commitment to addressing climate change and other environmental impacts through strategic actions. Our environmental stewardship is driven by our efforts to create a healthier planet for future generations. Our climate change action plans align with Nationally Determined Contributions (NDCs) and the Paris Agreement. We have recently set a target of becoming a Net Zero company by 2050.

We are making significant investments in adopting renewable energy. We have increased power consumption from renewable sources and the use of renewable fuels such as biomass. Renewable energy accounted for ~38% of our overall energy mix in FY24.

We have achieved a 18% reduction in our absolute Scope 1 and Scope 2 carbon emissions till date, compared to the baseline year of 2020 and we are confident of achieving our medium-term target of a 35% reduction in our Scope 1 and Scope 2 emissions by 2030.

Our target of a 10% reduction in our water consumption by 2025, compared to the baseline year of 2020, has been achieved ahead of time with a 21% reduction in water consumption till date. We aim to become a water positive company by 2030 and various water conservation projects have been initiated to achieve this target. We also aim to co-process

30% of our hazardous waste by 2025 compared to baseline year of 2020. For FY24, we co-processed 21% of our hazardous waste.

Workforce Well-being

Our people are the core drivers of both our business and ESG strategy. Attracting, retaining and nurturing a highly diverse and skilled workforce are key focus areas for us. We are investing significant resources in the development and well-being of our employees. A highly engaging work culture, empowerment, focused training sessions and recognition programmes provide our people with the means to grow and develop their capabilities to reach their fullest potential.

Respecting human rights is a fundamental value at Sun Pharma. We are a 'Great Place to Work[®] Certified' company in 25 countries, including India and various emerging markets. This underscores our progressive workplace practices and our commitment to employee well-being.

Inclusive Workforce and Gender Diversity

Diversity and inclusivity are key focus areas of our work culture. In the reporting year, female employees constituted 18.10% of our workforce. We have set a diversity target to achieve 30% women representation across our global workforce by 2040. We promote inclusion amongst our workforce by focusing on equal opportunities, non-discrimination and merit-based processes.

Workforce Safety

Safety of our workforce is a key priority for us and we make focused efforts to secure their well-being and foster a safe and collaborative environment. Our multi-pronged approach targeted at workforce safety includes, health and safety training across all our locations and nurturing a culture of awareness and responsible behaviour.



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Our comprehensive Environment, Health, and Safety (EHS) Policy drives best-in-class safety practices at our operations. Moreover, our commitment to workforce safety is reinforced through ISO 45001:2018 certification at our sites.

Social Responsibility and Development

Our initiatives targeted at the development of our local communities include areas like, healthcare, education, water and sanitation, environment conservation, rural development and disaster relief. In FY24, we spent ₹ 1,164 Million on our Corporate Social Responsibility (CSR) initiatives, touching more than 1 Million lives across more than 1,000 habitations in India.

Strengthening Access to Healthcare

As a leading pharmaceutical company, improving access to healthcare globally is one of our key focus areas. We remain committed to our core values of delivering high-quality medicines across our diverse product portfolio for our patients. Our extensive network of 41 manufacturing facilities spanning six continents and our presence in approximately 100 countries, enable us to cater to unmet patient needs.

We offer patient assistance programmes, reimbursement support and cost saving programmes for certain products to make them more affordable to patients. As a part of our CSR initiative, we have mobile healthcare units providing free medicines and medical health care services to patients inhabiting villages around our operating locations.

We continue to invest in R&D to develop new and innovative molecules and improve accessibility. In FY24, we invested ₹ 31.78 Billion on R&D (~6.7% of sales), demonstrating our commitment towards new product development and innovation.

Besides our internal efforts to develop new products, we actively seek collaborations and in-licencing opportunities to enable access to latest generation products and technologies targeted at addressing the unmet medical needs of patients. By fostering our organic R&D initiatives and external partnerships and collaborations, we strive to make a meaningful impact on the well-being of patients, targeting a healthier and more inclusive future for all.

Sustaining Commitment to Product Safety and Quality

Access to safe and effective medicines is a critical prerequisite to secure universal health coverage. As a global pharmaceutical company, we are committed to providing high quality medications to patients and healthcare professionals across the world. From design to delivery, product safety and quality are fully embedded in our business operations.

Our global manufacturing presence consist of 41 facilities spread across multiple countries, many of which are approved by international regulatory agencies like USFDA, EMA, MHRA, PMDA, WHO, etc. We also hold ISO 9001:2015 certification for many of our sites. We deploy rigorous review and quality check mechanisms to adhere to regulatory compliance and maintain the highest standards of product quality supported by a strong Quality Management System (QMS). Our quality and safety practices are also cascaded to our supply chain by various best practices, governance, and control adaptations through our Global Code of Conduct, Supplier Code of Conduct, and Quality Audits.

Corporate Governance

Upholding the highest standards of ethical business conduct is fundamental to our goal to generate shared and long-term value for all stakeholders. This commitment involves promoting transparent and accountable communication with

all stakeholders, which is essential for fostering responsible and sustainable decision-making.

The Corporate Governance & ESG Committee, a sub-committee of the Board, has oversight on our ESG initiatives with a dedicated ESG Council reporting to this committee. In addition, the Board has constituted various other committees with clearly defined roles and responsibilities to ensure effective implementation of corporate policies and other matters.

Looking Ahead

Our commitment, continuous improvement and an ability to balance the expectations of all our stakeholders will remain the key drivers of our ESG strategy. We have a responsibility towards the future of our planet, and it demands increased focus towards climate resilience and responsible business practices. We constantly endeavour towards integrating ESG practices into our business strategy. Our proactive approach of engaging with our stakeholders helps us to understand and include their views in our ESG initiatives. Our strong emphasis on ethics and responsible business practices coupled with accountability and innovation helps us in systematically implementing our ESG initiatives to contribute positively towards the development of a sustainable future for all.

I am grateful to our employees, customers, value chain partners, regulators and shareholders for their unwavering support and belief in our sustainability journey. As always, we remain open to feedback and suggestions from our stakeholders.

Dilip Shanghvi

Chairman & Managing Director

Sun Pharmaceutical Industries Limited