



## Spread of Inaccurate Information and Declining Trust

Increasing use of technology has a potential to be misused and may knowingly or unknowingly lead to spread of wrong or incorrect information about our medicines and organisation through social media. There is a possibility of misuse of the same by individuals/organisations to propagate incorrect information, knowingly or unknowingly against the Company, industry, product, molecules and may have a potentially negative impact on reputation. Sustained inaccurate information and resulting campaigns can potentially lead to long term erosion of trust for the concerned organisation. This risk is increasingly becoming important as pharmaceutical organisations are under constant attacks from alternative medicine practitioners, specifically in India.

### Impact

Dissemination of incomplete and/or incorrect information regarding the dangers or inefficacy of medications can result in mistrust on part of the patient and non-adherence to recommended treatment regimen resulting in non-compliance and a negative impact on the patient's health outcome. Continuous spread of incomplete or misinformation can prompt unwarranted scrutiny from regulatory bodies, potentially leading to investigations and inspections. A decline in public confidence can have a negative impact on product sales, directly impacting the Company's financial performance. Continued spread of incomplete and or incorrect information may lead to a decrease in stock prices and investor confidence. Erosion of trust can cause research institutions to be hesitant to collaborate on research projects, affecting innovation and development of novel products.

### Mitigation Action

Sun Pharma has undertaken initiatives aimed at promoting scientific medical and pharmaceutical research outcomes for public health improvement. It involves sharing medical and pharmaceutical research with the public after conducting scientific research on ways to improve public health. This initiative has helped young scientists and scholars in the medical and pharmaceutical fields to work towards improving public health. We also implement a programme on Mobile Healthcare Unit that emphasises Health Promotion and Preventive Healthcare Education in underserved and marginalised areas and also provides Curative Treatment to those in dire need. Sun Pharma also supports various patient education initiatives through doctors to improve awareness of disease and its management. With regards to our products we have taken significant measures in our product packaging to address product counterfeit issues and continue to educate the health care practitioners on the same on a regular basis. Sun Pharma is also working very closely with the policy making authorities and industry associations to address the issues related to counterfeit medicines.

## Risk Culture

We recognise the importance of instilling a risk management culture across the Company, backed by a robust framework for timely risk assessment and mitigations. We believe that having a holistic and robust risk culture is necessary for effective risk management. We provide focused risk training to our employees to help them learn and increase their awareness of potential risks and understand the importance of timely identification and reporting of risks for effective mitigation. Our Information Technology Security

Team and Company Secretary regularly share information on various risks. We make consistent efforts to ensure that employees follow regulatory requirements.

As part of the familiarisation programme for the Board Members as envisaged under Regulation 25(7), of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the functional heads/senior executives make presentations to the Board Members on various topics covering operations, functional overviews, business

performance and opportunities, risk management framework, and the regulatory environment in which the Company operates.

As a pharmaceutical company, we also recognise the importance of incorporating risk criteria within product development and approval. We have developed a reliable global quality standard to provide all users with critical information on managing risk throughout a product's lifecycle, from product development to disposal.