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## SUN PHARMACEUTICAL INDUSTRIES LIMITED

### TAX POLICY

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Policy Versions			
Sl. No.	Description	Date of Board Approval	Effective Date
1	Initial Adoption	May 30, 2022	May 30, 2022

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## BACKGROUND AND OBJECTIVE

Established in 1983, Sun Pharmaceutical Industries Limited and its subsidiaries (together hereinafter referred to as “Sun Pharma”) is a leading specialty generic pharmaceutical company with a strong presence in India and other global markets including regulated markets, spread across 100+ countries. Sun Pharma has manufacturing facilities across various countries engaged in the manufacturing of pharmaceutical formulations, Active Pharmaceutical Ingredients (API), and Over the Counter (OTC) products, covering various therapeutic segments such as Neuro-psychiatry, Cardiology, Gastroenterology, Diabetology, Dermatology, Respiratory, Gynecology, Ophthalmology, Urology and others. Sun Pharma devotes a significant portion of its revenue on the research and development which is being carried out at its state of the art research centers manned by a large and dedicated team of scientists.

Sun Pharma is committed and endeavors to be compliant with all statutory obligations including tax laws, as applicable, across various countries in which, it operates. In line with our corporate and social responsibilities, we recognize our role as a tax payer to pay the appropriate and applicable amount of taxes in respective countries where we do business by complying with the applicable tax laws including the filing of necessary tax returns within the stipulated timelines.

In view of our business operations across 100+ countries with a strength of over 37,000 employees, we are required to pay various types of taxes such as corporate Income tax including withholding of income tax, custom duty, excise duty, goods and service tax, sales tax/vat, cess, property tax, employment or professional tax etc.

Our tax strategy consists of:

1. Tax Governance, Risk Management and Controls
2. Tax Planning approach
3. Tax Compliance
4. Engagement with Tax authorities

## TAX GOVERNANCE, RISK MANAGEMENT AND CONTROLS

We are responsible and committed to complying with all the tax laws and related regulations as may be applicable in each of the jurisdictions we operate in. Based on our understanding and assessment of the applicable tax laws and related regulations, this compliance means ensuring the filing of returns/forms in time, payment of correct amount of tax in time and provide the relevant data / facts and information to the tax authorities as they may seek from us from time to time. Our team of finance professionals within the finance function located across the world in various countries, who report eventually to the Chief Financial Officer, are committed to the adherence of the applicable tax laws.

Overview and governance of tax matter is primarily ensured by the tax department of the Company which also updates the Audit Committee, both on compliance and key developments. Wherever required, appropriate disclosures are made e.g., contingent liabilities related to tax matters are disclosed in our published financial statements. In addition, tax processes are subject to internal controls set by the Internal Audit Function in accordance with the accounting and reporting principles. Further, external auditors also review the effectiveness of the controls

and procedures including risk management thereto as required under the applicable auditing standards.

Tax laws across the world are always evolving and changing and are often complex, leading to uncertainties and tax risk may arise from differences in interpretation of the tax laws. Sun Pharma engages and seeks external tax advice or support as may be necessary for effective management of tax related matters. Tax risk is addressed by establishing robust internal controls, training, knowledge update, cross functional support and alignment with business group for ensuring ongoing compliance. Sun Pharma always maximizes the use of technology and automation, wherever possible, to efficiently manage the ever increasing compliance requirements of the global tax laws.

### 3

#### TAX PLANNING APPROACH

Our tax planning is aligned with our business strategy and is based on commercial and investment strategy in order to grow our stake holder's value. We are always committed to undertake transactions as per arm's length principles in transfer pricing for inter-company international transactions aligned with Organization for Economic Cooperation and Development ("OECD") guidelines and / or driven by Country specific provisions. As a responsible corporate citizen, we do not engage in tax evasion or tax fraudulent practices. In the circumstance of Sun Pharma being present in low-tax jurisdictions, Sun Pharma endeavors to not use these jurisdictions as an avenue to avoid tax on activities conducted elsewhere. Sun Pharma avails the tax incentives, exemptions or benefits that are available as per the relevant applicable legislation or schemes notified by the relevant statutory authority. Wherever any uncertainty is involved, we engage external tax advisor to obtain the requisite clarification and guidance.

### 4

#### TAX COMPLIANCE

We are committed to tax compliance across all countries we operate in, by timely filing of the applicable tax returns and also by timely payment of the applicable taxes. We understand that the taxes paid by us contribute to wider economic and social impact in the development of Countries where we operate. We are obliged to comply with the OECD's framework of BEPS (Base Erosion and Profit Shifting). Sun Pharma is committed to comply with Country by Country Reporting (CbCR) and submission of Master file to the tax authorities.

### 5

#### ENGAGEMENT WITH TAX AUTHORITIES

Sun Pharma believes in maintaining open, professional and co-operative relationship with all tax authorities and is committed to providing appropriate responses to their queries that may be raised in connection with our tax matters. Given the complexity involved in tax laws across the various geographies we operate in, we may not always reach a consensus with the views of the tax authorities on certain tax matters. In the event of any disagreement with the tax authorities on the tax treatment of any specific item or matter, we work constructively to resolve the issues within the available dispute resolution framework.