



# Sun Pharmaceutical Industries Limited

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BUSINESS RESPONSIBILITY AND SUSTAINABILITY POLICY



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## Objective and scope

In view of the requirements of Securities and Exchange Board of India (SEBI) for Business Responsibility and Sustainability Report (“BRSR”), Sun Pharmaceutical Industries Limited (“SPIL”) has formulated the Business Responsibility and Sustainability Policy (“Policy”).

The Policy is based on nine principles enunciated in the National Guidelines on Responsible Business Conduct (NGRBC) by the Ministry of Corporate Affairs (MCA). The primary objective of the Policy is to align and ensure adherence of all business activities in line with the core NGRBC requirements of each principle.

While SPIL’s existing policies address the requirements of the NGRBC principles, the Company has formulated this Policy to address the core requirements more comprehensively. SPIL will continue to periodically assess its Company-level policies and enhance the policy framework to further strengthen its commitment towards Business Responsibility and Sustainability Report (“BRSR”).

## Business Responsibility and Sustainability Report Framework

Sun Pharmaceutical Industries Limited has adopted the following 9 principles of the BRSR framework as per the SEBI guidelines

### Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable

### Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe

### Principle 3

Businesses should respect and promote the wellbeing of all employees, including those in their value chain

### Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders

### Principle 5

Businesses should respect and promote human rights

### Principle 6

Business should respect and make efforts to protect and restore the environment

### Principle 7

Business, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Principle 8

Businesses should promote inclusive growth and equitable development

### Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner

## Mapping of existing policies with NGRBC principles

The following table illustrates SPIL's existing policies that already address requirements of BRSR (NGRBC guided) principles, and such policies have been operational for some duration already. Any future changes in BRSR policy will also have complimentary changes in respective detailed policies.

BRSR Principle	SPIL's policies mapped
Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable	<ul style="list-style-type: none"> <li>• Global Code of Conduct</li> <li>• Stakeholder Policy</li> <li>• Tax Strategy</li> <li>• Global Whistle Blower Policy</li> </ul>
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe	<ul style="list-style-type: none"> <li>• EHS Policy</li> <li>• Supplier Code of Conduct</li> </ul>
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains	<ul style="list-style-type: none"> <li>• Global Code of Conduct</li> <li>• Human Rights Policy</li> <li>• Remuneration Policy</li> </ul>
Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders	<ul style="list-style-type: none"> <li>• Global Code of Conduct</li> <li>• SPIL Policy on Determining Materiality of Events and Information</li> <li>• Stakeholder Policy</li> <li>• Code of Practices &amp; Procedures for Fair Disclosure of Unpublished Price Sensitive Information</li> <li>• Global Whistle Blower Policy</li> <li>• Risk Management Policy</li> </ul>
Principle 5: Businesses should respect and promote human rights	<ul style="list-style-type: none"> <li>• Global Code of Conduct</li> <li>• Global Whistle Blower Policy</li> <li>• Human Rights Policy</li> </ul>
Principle 6: Businesses should respect and make efforts to protect and restore the environment	<ul style="list-style-type: none"> <li>• Global Code of Conduct</li> <li>• EHS Policy</li> <li>• Corporate Social Responsibility Policy</li> </ul>
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	<ul style="list-style-type: none"> <li>• Global Code of Conduct</li> </ul>
Principle 8: Businesses should promote inclusive growth and equitable development	<ul style="list-style-type: none"> <li>• Corporate Social Responsibility Policy</li> <li>• EHS Policy</li> <li>• Global Code of Conduct</li> </ul>
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	<ul style="list-style-type: none"> <li>• EHS Policy</li> <li>• Global Code of Conduct</li> <li>• Customer Centricity Policy</li> </ul>

## Principle 1: Business ethics, transparency, and accountability

### Philosophy

At SPIL, we conduct operations by upholding values of ethics and integrity within and across our value chain. We remain committed towards establishing a work environment that thrives on the values of fairness, transparency and accountability. Furthermore, we have established robust governance systems and policies in place that enable us to guide our economic, social and environmental ambitions, in a fair and responsible manner.

### Our Policy

- ❖ All Personnel are responsible for demonstrating integrity and leadership by complying with the provisions of the Global Code of Conduct, policies and all applicable laws and regulations.
- ❖ The Global Code of Conduct of the Company is applicable to all employees (whether permanent, temporary or on contract, direct or through contractor, retainer or full-time consultant), and members of the Board of Directors of the Company (“Personnel”). The Company expects its business partners including suppliers, service providers, agents, channel partners (dealers, distributors and others) to adhere to the principles of the Global Code of Conduct.
- ❖ As a Company of repute and global standing, SPIL is committed to conducting its business in a responsible manner. The Company provides a secure mechanism to stakeholders to disclose any unethical and improper practice taking place in the Company for appropriate action and reporting.
- ❖ The Company acts as a catalyst to cascade responsible practices across its value chain. Any member of the value chain found to be indulging in irresponsible, unfair and unethical business practices shall be condemned and appropriate action shall be taken.
- ❖ The Company adheres to timely and appropriate disclosure of information that may impact stakeholders, maintaining high standards of transparency and accountability. The Company endeavors to achieve an appropriate balance between business and confidentiality.
- ❖ The Company competes in an ethical and legitimate manner and prohibits all actions that are anti-competitive or otherwise contrary to applicable competition or anti-trust laws.
- ❖ The Company’s Global Code of Conduct guides all personnel to avoid situation of conflict of interest in course of their daily activities.
- ❖ The Company abides by all applicable anti-bribery laws, including the US Foreign Corrupt Practices Act (FCPA) and applicable local laws in every Country of business. The Company prohibits money laundering or financing for illegal or illegitimate purposes. Employees of the Company or their family members shall not accept gifts from the current or prospective contractor, supplier, customer, or any other person with whom the Company does or may do business with (Third-party). There is an annual sign-off on the Company’s Global Code of Conduct which includes clauses on anti-bribery and corruption.

- ❖ The Company's financial reports indicate transparency and accountability, ensuring timely and complete payment of all applicable taxes levied by appropriate statutory bodies.

## Principle 2: Product responsibility and sustainability

### Philosophy

As a responsible Company, we at SPIL endeavor to align our business operations to the highest standards of safety, quality and sustainability. We remain committed to identifying and mitigating prioritized risks throughout our product lifecycle. Our product quality and safety practices further emphasize our efforts to deliver safe and effective products to all our consumers.

### Our Policy

- ❖ The Company remains committed in ensuring compliance with all applicable quality regulations and standards. We regularly monitor our performance in our endeavor to improve existing processes and minimize any adverse impact of our operations across safety, health and environment parameters.
- ❖ The Company undertakes impact assessments and implements best practices with regard to water management, waste management, climate change mitigation, protection of biodiversity and ecosystem across the value chain. Furthermore, the Company communicates openly with all its stakeholders including suppliers for improving environment, health and safety performances.
- ❖ The Company integrates R&D and technology at the design and development stages for all our products and processes to further enable the deployment of low-carbon and resource efficient practices in our manufacturing operations.
- ❖ The Company strives to integrate a circular approach within its product lifecycle by abiding with the Extended Producer Responsibility (EPR<sup>1</sup>). The Company engages in safe collection and disposal of plastic waste generated due to its products.

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<sup>1</sup> Extended Producer Responsibility (EPR) - "Extended Producer Responsibility" refers to responsibility of a producer for the environmentally sound management of the product until the end of its life. The Uniform Framework for Extended Producers Responsibility issued by the Ministry of Environment, Forest and Climate Change places responsibility on producers, importers and brand owners to establish a system for collecting back the plastic waste generated due to their products and submit a plan for such collection with the relevant Pollution Control Board(s)

## Principle 3: Employee wellbeing

### Philosophy

At SPIL, we recognize all our employees and business partners as an integral part of our business model. All our employee development policies are driven on the pillars of Inclusivity, Fairness and Diversity. We are committed to building a conducive working environment, further instilling trust and satisfaction amongst our employees. The Company complies with all applicable national and international labour laws and regulations.

### Our Policy

- ❖ The Company is committed to recognizing and respecting human rights within and across its value chain.
- ❖ It is the Company's policy to recruit, hire, promote, assign, compensate and train qualified persons regardless of race, color, religion, gender, national origin, ancestry, age, marital status, sexual orientation or disability. Any Personnel engaging in discrimination will be subject to disciplinary action up to and including termination of employment and / or be liable to indemnify the Company for the loss incurred by the Company. Furthermore, the Company's whistleblower policy outlines the mechanism for grievance redressal of non-discrimination incidents.
- ❖ The Company upholds all legislations affecting employees in the country of its operation, ensuring the right to fair wages, freedom of association, participation and collective bargaining. Employees are free to join, form or refrain from any employee collectives without fear of retaliation, harassment or intimidation of any kind. The Company enables ample open channels of communications and grievance redressal mechanisms to deal with stakeholder concerns on human rights in a just, fair and prompt manner.
- ❖ The Company strives to provide each employee with a safe and healthy work environment. Each Personnel has a responsibility for maintaining a safe and healthy workplace by following safety and health rules as well as practices. We encourage our employees to proactively report on EHS incidents, inclusive of near-misses, further ensuring effective resolution and implementation of corrective actions through formalized redressal mechanisms, across all our business and manufacturing operations. The Company requires all its suppliers to be compliant with the provision of a safe and healthy working environment.
- ❖ The Company ensures a work environment free of sexual harassment. In case of any such unfortunate instances, appropriate action is taken to resolve the matter. The Company focuses on sensitizing employees through training programmes and enabling the provision of an escalation procedure for unfortunate incidents by reporting it as per the provisions of policy on prevention, prohibition, and redressal of sexual harassment.
- ❖ The Company is strictly against employment of child labor or forced labor, in any form, paid or unpaid.

- ❖ The Company strives to provide a conducive work environment and effective benefits for employees to enable them to accomplish both their professional as well as personal development.
- ❖ The Company encourages continuous skill upgradation of each individual employed within the organization by providing access to necessary learning opportunities and promoting career development.

## Principle 4: Stakeholder engagement and inclusiveness

### Philosophy

At SPIL, we recognize the inter-dependent relationship we share with our stakeholders and continue to periodically engage with them to further accrue their interests across the evolving regulatory and Environment, Social and Governance (ESG) landscape. We further align our business activities and strategy to stakeholder interests in order to maximize impact and deliver value-generated outcomes.

### Our Policy

- ❖ The Company constantly endeavors to share and disclose material information to its stakeholders as recommended by statutory guidelines. The Company effectively communicates its plans and achievements through media to internal and external stakeholders as we recognize that non-compliance with the principles of disclosure and transparency can present potential risks to the Company, including by way of loss of shareholder confidence and non-compliance risks across various regulations.
- ❖ The Company endeavors to make prompt public disclosure of all unpublished price sensitive information(s) that may impact price discovery, as soon as credible and concrete information comes into being. Further the Company is committed to make uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
- ❖ The Company's Risk Management Policy enables proactive identification, assessment, management, monitoring and reporting of identified and prioritized risks. This policy underpins the Company's efforts to remain a competitive and sustainable Company, enhancing operational effectiveness and creating wealth for employees, shareholders and stakeholders.
- ❖ The Company understands and addresses evolving concerns of stakeholders, including divergent and marginal interests, in a fair and equitable manner. Subject to compliance with applicable regulations, the Company consistently adapts, adopts and aligns its organizational strategies to resonate with stakeholder priorities. The Company provides a secure mechanism to stakeholders to disclose any unethical and improper practices taking place in the Company for appropriate action.



## Principle 5: Human Rights

### Philosophy

We integrate the principles and norms of Human Rights across our business to protect the interests of our employees, workers, and value chain partners. As a responsible Company, we strive to ensure compliance with all relevant policies and regulations pertaining to Human Rights in line with national and international guidelines such as United Nations Guiding Principles for Business and Human Rights, International bill of rights and Declaration of Fundamental Rights at work as per the International Labor Organization.

### Our Policy

- ❖ The Company embodies sensitivity of Human Rights principles within and across its value chain.
- ❖ The Company integrates Human Rights as a core value in business operations and ensures comprehensive governance through its Human Rights policy. The Company strives to implement procedures and grievance redressal frameworks, including the human rights due diligence.
- ❖ The Company effectively communicates its policy on Human Rights to all employees and value chain partners across operations and provides ample communication channels for grievance redressal. The Company provides a secure grievance redressal mechanism for its stakeholders, set up under the Company's Global Whistle Blower Policy.

For further insights into our human rights policy and practices, Principle 5 can be read with Principle 3.

## Principle 6: Environment

### Philosophy

At SPIL, we are cognizant of the responsibility etched to our business activities and its consequent impact on the environment and society at large. We conduct periodic risk and opportunity assessments to identify any adverse impact of our products and services on the environment. This assessment enables us to strategically implement targeted initiatives that help us reduce our environmental footprint and augment resource conservation, propelling our efforts to achieve sustained progress across the triple bottom line.

### Our Policy

- ❖ The Company's governance and control mechanisms are designed to address applicable environment regulatory and compliance requirements for all sites across and all stages of its life cycle from establishment to closure.
- ❖ The Company undertakes impact assessments and implements best practices with respect to water management, waste management, emissions, climate change mitigation, protection of biodiversity and ecosystem across the value chain.
- ❖ The Company strives to establish business practices that utilize resources in an optimal manner by integrating sustainability principles like reduce, reuse, recycle, recover and replenish (5R) into all aspects of our business. The Company strives to monitor and improve its EHS performance by

setting and reviewing EHS objectives and targets periodically and implementing performance management systems.

- ❖ The Company communicates openly with all key stakeholders including suppliers, service providers, contractors and key business partners for improving environment, health and safety performances.
- ❖ The Company as a signatory of the India CEO Forum on Climate Change driven by the Ministry of Environment, Forest and Climate Change, commits to addressing the obligations of the Paris Climate Change Agreement. The Company endeavors to devise mitigation action plans for identified climate-related risks and emerge as a climate-smart enterprise.
- ❖ The Company endeavors to enhance the awareness of environment conservation amongst the community through its Corporate Social Responsibility (CSR) initiatives such as road-side plantation, green belt development and orchard development.

For further insights into our environment policy and practices, Principle 6 can be read with Principle 2.

## Principle 7: Responsible advocacy with public and regulatory bodies

### Philosophy

As a responsible organization, we are cognizant of the guidelines provided by regulators and legislative bodies across social, environment and economic parameters. At SPIL, we endeavor to maintain an ethical conduct, respecting the values of equity, integrity and transparency across all our policy advocacy positions.

### Our Policy

- ❖ The Company works with policy makers as knowledge partners to share insights, scientific knowledge and technical expertise through authorized personnel. The Company remains ethical, unbiased and transparent, ensuring that it does not undertake any adverse activities in line with the nation's interest or those that will have any negative social impact.
- ❖ The Company engages with trade associations to raise industry benchmarks and exchange best practices. Further, the Company actively participates in public policy discussions to share industry perspective and expertise.

## Principle 8: Inclusive growth and equitable development

### Philosophy

At SPIL, the upliftment of communities has always been an integral part of our business strategy. Co-creating a holistic, equitable and inclusive society underpins the company's ambition to deliver long-term value creation across its business activities. We consistently strive to create meaningful impact on the lives of all our stakeholders, particularly addressing key requirements of vulnerable and marginalized sections of society.

### Our Policy

- ❖ The Company strives to minimize any adverse impact on social, cultural and economic aspects which arise from any of our business operations.
- ❖ The Company strives to identify and address the needs of local communities, particularly vulnerable and marginalized groups through the implementation of focused CSR programs.
- ❖ The Company leverages its financial and human resources networks and expertise to create maximum impact for its stakeholders. The Company also evaluates the social impact of its CSR initiatives through social impact assessments, in line with relevant regulatory requirements.
- ❖ The Company strives to invest in R&D and technology to bring advancement in product development, enabling positive and equitable impact on the environment and society.

## Principle 9: Consumer welfare

### Philosophy

At SPIL, we are committed to responsible growth and delivering superior products and services to our consumers. We prioritize and value our relationship with all our consumers as they play a vital role in our value creation journey. In this regard, we consistently strive to ensure responsible and transparent communication with all our consumers, across parameters of product pricing, quality and accessibility.

### Our Policy

- ❖ The Company strives to embed EHS fundamentals into the fabric of the business including due-diligence, mergers and acquisitions by implementing management systems, EHS governance, and a robust risk management approach to effectively address impacts from products, services and business activities.
- ❖ The Company competes only in an ethical and legitimate manner and prohibits all actions that are anti-competitive or otherwise contrary to applicable competition or anti-trust laws.
- ❖ The Company strives to maintain transparency and clarity in its offerings through timely, factual and responsible marketing and communication.

- ❖ The Company takes utmost care in respecting personal privacy and dignity. The Company collects and retains personal information only to the extent it is necessary for the effective operations of the Company or is mandated by a statute. The Company keeps such information confidential and discloses only to those who have a legitimate need to know.
- ❖ The Company provides its customers with guidance on the safe and responsible usage of products. The Company sensitizes the customers about the product quality and safety including responsible storage and consumption of the product.
- ❖ All Personnel should endeavor to deal honestly, ethically and fairly with the Company's suppliers, distributors, customers, competitors, agents, independent contractors, consultants and shareholders. Statements regarding the Company's products and services must not be untrue, misleading, deceptive or fraudulent.
- ❖ The Company takes consistent efforts in engaging with customers on an ongoing basis, recognize their concerns and correspondingly address them in a responsible manner.
- ❖ The Company strives to make continuous efforts to ensure universal accessibility of product to all, without any discrimination