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14 October 2025

National Stock Exchange of India Ltd.,
Scrip Name: SUNPHARMA

BSE Limited,
Scrip Code: 524715

ESG Overview for FY 2024-25

We are submitting herewith the ESG Overview of the Company for the financial year 2024-25, which shall be released after this submission.

For Sun Pharmaceutical Industries Limited

Anoop Anjanikumar Deshpande
Digitally signed by Anoop Anjanikumar Deshpande
Date: 2025.10.14 15:58:16 +05'30'

(Anoop Deshpande)
Company Secretary & Compliance Officer
ICSI Membership No.: A23983

SUN PHARMACEUTICAL INDUSTRIES LIMITED

ESG OVERVIEW

FY 2024-25

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About the Report

Sun Pharmaceutical Industries Limited, (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715, "Sun Pharma"[1], along with its subsidiaries and/or associate companies), headquartered in Mumbai, India presents the ESG Overview for the fiscal year 2024-25[2]. This ESG Overview outlines the company's ESG performance from April 1, 2024, to March 31, 2025.

Scope and Reporting Boundary

This Overview details our ESG performance across 38 key locations, accounting for 79% of our operations and 98% of our revenues. These locations encompass national and international manufacturing sites and R&D facilities. In this financial year, we have also released the Business Responsibility and Sustainability Report (BRSR), as required by the Securities Exchange Board of India (SEBI). The BRSR reporting boundary is inclusive of all manufacturing and R&D locations within the standalone entity i.e Sun Pharmaceutical Industries Limited (SPIL). Due to variation in the reporting boundary in the Business Responsibility and Sustainability Report and this ESG Overview, the data/information disclosed in these two reports are not comparable.

Feedback

We welcome inputs for improvement and to address concerns and expectations of all our stakeholders. Please share your feedback, suggestions and/or queries at Secretarial@sunpharma.com:[3]

[1]GRI 2-1
[2]GRI 2-3
[3]GRI 2-3

About Sun Pharma

Recognized and trusted by healthcare professionals and patients alike, Sun Pharma is a leading global player in the specialty generic pharmaceutical industry, with revenues of USD 6.2 billion. We provide high-quality medicines across approximately 100 countries, supported by 42 state-of-the-art manufacturing facilities and strong R&D capabilities. Our diverse product portfolio includes generics, branded generics, specialty medicines, complex formulations, technology-driven therapies, over-the-counter (OTC) products, antiretrovirals (ARVs), Active Pharmaceutical Ingredients (APIs), and intermediates—underscoring our commitment to accessible and innovative healthcare solutions. Our business operations and long-term value creation are anchored in our vision: "Reaching people and touching lives globally as a leading provider of valued medicines." This vision is brought to life through our deeply held core values. At Sun Pharma, we foster a culture that creates meaningful impact, built on four foundational pillars—Humility, Integrity, Passion, and Innovation. Together, these principles form Sunology, our unique way of life that shapes how we work, collaborate, and serve communities around the world.

At Sun Pharma, our commitment to long-term growth and value creation for all stakeholders is deeply rooted in our legacy as a leading pharmaceutical company. Our growth strategy is centered around four key pillars:

- **Sustainable growth**
- **Enhancing business development**
- **Cost leadership**
- **Balancing profitability and investments for the future**

Since inception, we have made focused investments in four capabilities to implement our growth strategy and sustain successful business outcomes. These are:

- **Research & Development and Manufacturing**
- **Our Workforce**
- **Our Portfolio**
- **Our Geographical Reach**

Geographical Reach[4]

51,000+
Employees worldwide (including executives on contract)

42
Manufacturing facilities across six continents

~100
Markets presence

Mumbai
Headquarters

Specialty Business

- ~20% Contribution to FY 2024-25 sales
- 26 Innovative products in our portfolio
- 6 Total molecules in clinical trials and registration stages
- 3 Focus areas – Dermatology, Ophthalmology, Onco-dermatology

USA

- INR 162,403 Mn FY 2024-25sales
- 12th Ranked in US generics market (As per IQVIA data)
- 542 ANDAs & 57 NDAs Approved
- Ranked 2nd by prescriptions in the US dermatology market (As per IQVIA data)

India

- INR 169,230 Mn FY 2024-25 sales
- Largest Pharma Company in the Indian pharmaceutical market, with an 8.3% market share (As per AIOCD AWACS data for 12 months ended Mar'25)
- Market leader in the chronic segment and strong positioning in the acute segment
- No. 1 Ranked across 13 classes of prescribers as per SMSRC data

Emerging Markets

- INR 94,160 Mn FY 2024-25 sales
- ~80 countries market presence
- Leading Indian pharmaceutical company in emerging markets
- Focus markets: Romania, Russia, South Africa, Brazil, Mexico

Rest of the world

- INR 71,626 Mn FY 2024-25 sales
- Presence across Western Europe, Canada, Australia, New Zealand, Japan, Israel and others
- Specialty, Hospital and Retail offerings

Active Pharmaceutical Ingredients (API) Business

- INR 21,292 Mn FY 2024-25 sales
- ~ 400 APIs Product portfolio & 401 DMF/CEP approvals to date
- 14 API Manufacturing facilities

Global Consumer Business

- Amongst Top 10 consumer healthcare companies in India, Romania, Nigeria and Myanmar
- 25+ countries' market presence
- Approximately 500,000 pharmacy and retail outlets in India where Sun Pharma's consumer products are available

[4]GRI 2-1

ESG Highlights FY 2024-25

Environment

41%
Energy sourced from renewable sources

37%
of hazardous waste diverted from disposal, by using recycling and other recovery options

96%
of non-hazardous waste diverted from disposal

25%
Reduction in absolute water consumption compared to baseline year 2020

~21%
Reduction in absolute carbon emissions compared to baseline year 2020

43%
decrease in specific intensity for Scope 1 and 2 carbon emissions compared to baseline year 2020

Social

6,978
new hires

18.6%
gender diversity in total workforce

Zero
fatalities

INR 1,424 Mn
CSR spend

Over 1 Mn
lives touched in India through CSR initiatives

Governance

92.9%
Average Board meeting attendance

62.5%
Independent Board Directors in the reporting year

Corporate Governance

At Sun Pharma, we are dedicated to conducting our business with integrity and excellence. Sun Pharma's philosophy aims to reach and positively impact lives around the world by adhering to core values of Quality, Reliability, Consistency, Trust, Humility, Integrity, Passion, and Innovation. These values are not only fundamental to the Sun Pharma's identity but also serve as the foundation for its corporate governance practices.

Central to our goal of creating lasting and inclusive value for all stakeholders is our unwavering commitment to ethical practices. We emphasize transparency and accountability in our communications, fostering responsible and sustainable decision-making throughout the organization.

Our Board of Directors

We have adopted a top-down approach to operational excellence, driven by our diverse expertise and one-tier Board of Directors.[5] For the reporting year, our Board comprised of 8 members, including 5 Independent Directors of which one is female Indpendent Director.

All Independent Directors comply with the criteria outlined in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In accordance with SEBI's requirements of having a minimum of one-third independent directors' representation on the Board, 62.5% of our Board members were Independent Directors for the reporting year. During FY 2024-25, the role of our Chairperson and Managing Director was held by Mr. Dilip S. Shanghvi.

Our Board of Directors for the reporting year were:

Dilip S. Shanghvi
Chairman and Managing Director

Aalok D. Shanghvi
Whole-time Director and Chief Operating Officer

Dr. Pawan Goenka
Lead Independent Director

Gautam Doshi
Independent Director

Rama Bijapurkar
Independent Director

Sanjay Asher
Independent Director
(Retired on March 31 2025)

Rolf Hoffman
Independent Director

Sudhir V. Valia
Non-Executive and Non-Independent Director
(Retired on July 31 2025)

[5]GRI 2-9 & 2-1

The Company has designated Dr. Pawan Goenka, as the Lead Independent Director. The roles and responsibilities of the Lead Independent Director inter-alia include the Lead Independent Director to chair the Board meetings in the absence of the Chairman. Our Board includes two Independent/ Non-Executive Directors with deep expertise in the pharmaceutical sector, Mr. Rolf Hoffman (Independent Director) and Mr. Sudhir Valia (Non-Executive Director). The average tenure of our Board of Directors is 10.5 years, reflecting stability and long-term commitment. During the reporting year, the Board convened 7 meetings, with an average attendance rate of 92.9%. Directors were expected to attend at least 75% of meetings to the best of their ability.

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. Board performance evaluation is carried out under a comprehensive Performance Evaluation Programme ("PEP") every year forming a part of the roles and responsibilities of the Nomination and Remuneration Board Committee ("NRC"). 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 for FY2024-25 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

Furthermore, 5 of our non-executive/ independent directors currently hold fewer than 4 directorships in other listed entities. In accordance with SEBI regulations, non-executive and independent directors are permitted to serve on a maximum of seven listed company boards. In line with the Companies Act, 2013, one-third of the Non-Independent Directors retire by rotation and are re-elected every year. Independent Directors are appointed for a defined term. All directors on the Board are elected individually[6]. The Company also has a succession planning framework in place for senior management including the CEO to ensure leadership continuity and long-term organizational stability.

The ratio of our Managing Director's remuneration compared to the median remuneration of the employees of the Company is 91.45 for the reporting period.

The Company is governed by the Companies Act, 2013. Any alteration to the Articles of Association of the Company requires a special resolution passed by the shareholders under the Companies Act, 2013. Additionally, there is no limitation to directors' liabilities except as provided under the Articles of Association as per the provisions under the Companies Act, 2013.

The Corporate Governance and ESG Committee, a sub-committee at the Board level (consisting of Independent Directors) of the Company plays a pivotal role in maintaining oversight on ESG and sustainability-related initiatives. The Company also has an ESG Council, an executive level committee consisting of C-suite members, with a designated ESG role below C-suite position (Associate Vice President) reporting to the Council.

Management Ownership

The below table gives details of equity shares held by our key executives as a multiple of their base salary.

Designation	Name	Shares as Multiple of Base Salary
Chairman & Managing Director	Dilip Shanghvi	8157.25
Whole-time Director and Chief Operating Officer	Aalok D. Shanghvi	58.57
Chief Financial Officer	C. S. Muralidharan	

Management Ownership Requirement

Sun Pharma is a promoter-owned company with Mr. Dilip Shanghvi (the promoter) holding the position of Chairman and Managing Director (CMD) for the reporting year. Hence, there are no specific stock ownership requirements for the CMD as he is also the promoter of the company.

At the end of the financial year under consideration (i.e. as of 31st March 2025) the Promoter and CMD held 9.6% of the shares of the company and Promoter Group (including the Promoter) held 54.48% of the shares. CMD is actively involved in the business taking various strategic decisions. CMD has a material stake in the company and is committed to corporate governance, growth and creating long-term shareholder value.

[6]GRI 2-10

Global Code of Conduct

Our Global Code of Conduct (GCoC) serves as the cornerstone of our corporate governance framework, guiding our operations[7]. Embedded within our GCoC is a commitment to a zero-tolerance policy against bribery and corruption. We have established clear guidelines with respect to gifts, political contributions and charitable donations as detailed in our Global Code of Conduct.

Employees receive training annually on the Global Code of Conduct (GCoC) covering topics like anti bribery, whistle blower, anti-money laundering, etc. and are expected to comply with it rigorously[8]. We maintain rigorous oversight throughout all areas of our business to proactively deter and address any misconduct[9]. During FY 2024–25, there have been no instances of bribery, corruption, money laundering, insider trading, or conflicts of interest[10].

As detailed in our Global Whistleblower Policy, all employees are provided with a transparent and anonymous channel to report any concerns and breaches of our Code of Conduct. We provide necessary safeguards to all Whistle Blowers for making Protected Disclosures in good faith, in all the areas mentioned in the Code such as business with integrity, responsible corporate citizenship, illegal and unfair labor practices, trade practices and other laws.

All concerns reported are treated with utmost confidentiality and we are committed to ensuring there is no retaliation against any whistleblower. Reported concerns are thoroughly investigated and in line with the procedure laid out in our Whistleblower Policy. Based on the findings of the investigation, appropriate disciplinary action is taken as permissible by law. Further, our Whistleblower Reporting channel is managed by an independent third-party, ensuring impartiality, confidentiality, and integrity in the handling of all reports. The Whistleblower policy can be accessed via: https://sunpharma.com/wp-content/uploads/2024/07/Global-Whistle-Blower-Policy-updated-dated-August-01-2019.pdf

[7]GRI 2-23
[8]GRI 205-2
[9]GRI 205-1
[10]GRI 205-3 and 206-1

Contributions and other spending

We contribute to trade associations or tax-exempt groups. Details of the total contributions for the past four financial years are outlined below.

	Currency	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total contributions and other spending	INR Mn	175.89	169.34	201.80	422.80

We neither support political campaigns nor engage in charitable donations or sponsorships that could be perceived as bribery or corrupt practices

Top 3 Largest Contributions and Expenditures

Sl. No.	Name	Amount Paid (Rs.)	Advocacy Topic
1	Indian Pharmaceutical Alliance (IPA)	11,580,040	Regulatory reforms to improve drug development process in India, Trade Margin Rationalization
2	The Federation of Indian Chambers of Commerce and Industry (FICCI)	826,000	Regulatory Reforms for Pharma sector in India
3	The Associated Chambers of Commerce of India (ASSOCHAM)	531,000	Address the challenges faced by India in the health sector and to strengthen Public and Private healthcare Initiatives

Tax Strategy and Reporting

In alignment with our corporate values and commitment to social responsibility, we ensure strict compliance with all statutory requirements, including tax regulations, across every region where we operate. We acknowledge our duty as responsible taxpayers and consistently meet our obligations by following relevant tax laws and submitting returns within the prescribed deadlines. Additional information regarding our tax practices is available at: https://sunpharma.com/wp-content/ uploads/2023/03/SPIL-Tax-Policy-effective-30th-March-2023.pdf

Effective Tax Rate

(INR)	FY 2023-24	FY2024-25
Earnings before tax	110,878,900,000	137,521,300,000
Reported taxes	14,394,500,000	27,720,300,000
Effective tax rate (in %)	12.98	20.15
Cash taxes paid (A)	21,238,857,689	28,931,535,567
Cash tax rate (in %)	19.15	21.03
Tax Refund Received (B)	5,544,457,689	24,163,110,165
Net Cash Tax Paid (A-B)	15,694,400,000	4,768,425,411

The details of tax paid for the reporting year have been provided below:

(All financial numbers are in local currency in Million)

Sl. No.	Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of 31st March 2025	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
1	Green Eco Development Centre Limited	India	Effluent Treatment	INR	0	0.0	(0.0)	-	-	100.00%	7.0	Subsidiary
2	Sun Pharmaceutical (Bangladesh) Limited	Bangladesh	Manufacturing & marketing of pharmaceutical products	BDT	0	1909.0	371.4	108.9	151.6	72.50%	42.2	Subsidiary
3	Sun Pharmaceutical Industries, Inc.	USA	Manufacturing & marketing of pharmaceutical products	USD	995	127390.7	974.2	(1,665.0)	10.0	100.00%	0.0	Subsidiary
4	Sun Farmaceutica do Brasil Ltda.	Brazil	Marketing of pharmaceutical products	BRL	222	4650.9	(45.7)	38.3	149.5	99.99%	82.7	Subsidiary
5	Sun Pharma De Mexico S.A. DE C.V.	Mexico	Marketing of pharmaceutical products	MXN	154	1687.7	104.9	69.4	44.7	100.00%	4.2	Subsidiary
6	Sun Pharmaceutical Peru S.A.C.	Peru	Marketing of pharmaceutical products	PEN	85	0.0	(3.1)	-	-	100.00%	197.8	Subsidiary
7	Sun Pharma De Venezuela, C.A.	Venezuela	Marketing of pharmaceutical products	VES	0	0.0	-	-	-	100.00%	0.0	Subsidiary
8	Chattem Chemicals Inc.	USA	Manufacturing of pharmaceutical products	USD	111	6906.0	2,337.8	263.9	29.6	100.00%	0.0	Subsidiary

(All financial numbers are in local currency in Million)

Sl. No.	Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of 31st March 2025	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
9	The Taro Development Corporation	USA	Subsidiary	USD	0	0.0	131.5	-	-	100.00%	0.0	Subsidiary
10	Alkaloida Chemical Company Zrt.	Hungary	Manufacturing of pharmaceutical products	USD	481	6418.4	1,277.8	149.8	105.0	99.99%	7629.5	Subsidiary
11	Sun Pharmaceutical Industries (Australia) Pty Limited	Australia	Manufacturing of pharmaceutical products	AUD	136	2986.5	(475.7)	-	-	100.00%	8761.9	Subsidiary
12	Aditya Acquisition Company Ltd.	Israel	Subsidiary	ILS	0	0.0	0.1	-	-	99.99%	0.0	Subsidiary
13	Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	Marketing of pharmaceutical products	EUR	70	5286.8	109.9	27.3	22.6	99.99%	1.7	Subsidiary
14	Sun Pharmaceuticals Germany GmbH	Germany	Marketing of pharmaceutical products	EUR	8	4622.6	121.5	22.8	31.8	99.99%	2.3	Subsidiary
15	Sun Laboratories FZE	UAE	Marketing of pharmaceutical products	USD	18	12375.6	2,657.9	-	-	100.00%	1047.2	Subsidiary
16	Sun Pharma Japan Ltd.	Japan	Manufacturing & marketing of pharmaceutical products	JPY	126	7364.6	155.1	0.5	7.8	100.00%	90.5	Subsidiary
17	Sun Pharma Philippines, Inc.	Philippines	Marketing of pharmaceutical products	PHP	98	974.9	20.2	13.8	12.4	100.00%	12.9	Subsidiary

(All financial numbers are in local currency in Million)

Sl. No.	Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of 31st March 2025	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
18	Caraco Pharmaceuticals Private Limited	India	Subsidiary	INR	0	0.0	(0.1)	-	-	100.00%	0.1	Subsidiary
19	Sun Pharma Laboratories Limited	India	Manufacturing & marketing of pharmaceutical products	INR	12148	119619.7	79,245.4	16,448.6	(3,875.5)	100.00%	400.5	Subsidiary
20	Taro Pharmaceutical Industries Ltd. (Taro)	Israel	Manufacturing & marketing of pharmaceutical products	USD	851	12551.8	(2,870.8)	52.7	-	99.99%	58.4	Subsidiary
21	Taro Pharmaceuticals Inc.	Canada	Manufacturing & marketing of pharmaceutical products	USD	614	24292.3	10,118.5	2,308.8	2,055.3	99.99%	31848.6	Subsidiary
22	Taro Pharmaceuticals U.S.A., Inc.	USA	Marketing of pharmaceutical products	USD	59	27900.4	(6,118.1)	4,125.8	5.1	99.99%	12.4	Subsidiary
23	Taro Pharmaceuticals North America, Inc.	USA	Subsidiary	USD	0	0.0	(1.9)	-	-	99.99%	0.0	Subsidiary
24	Taro Pharmaceuticals Europe B.V.	Netherlands	Subsidiary	EUR	0	3.7	0.3	0.1	0.1	99.99%	1.7	Subsidiary
25	Taro International Ltd.	USA	Marketing of pharmaceutical products	USD	0	2180.8	240.2	62.1	79.7	99.99%	0.0	Subsidiary

(All financial numbers are in local currency in Million)

Sl. No.	Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of 31st March 2025	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
26	Faststone Mercantile Company Private Limited	India	Subsidiary	INR	0	0.0	0.1	0.0	0.0	100.00%	0.1	Subsidiary
27	Neetnav Real Estate Private Limited	India	Subsidiary	INR	0	1.6	(41.3)	(0.0)	0.8	100.00%	0.1	Subsidiary
28	Realstone Multitrade Private Limited	India	Subsidiary	INR	0	0.0	0.1	0.0	0.0	100.00%	0.1	Subsidiary
29	Skisen Labs Private Limited	India	Subsidiary	INR	0	0.0	(0.1)	-	-	100.00%	163.6	Subsidiary
30	Softdeal Pharmaceutical Private Limited	India	Subsidiary	INR	75	2298.5	531.7	136.8	67.1	100.00%	0.1	Subsidiary
31	Universal Enterprises Private Limited	India	Subsidiary	INR	0	0.0	(0.1)	-	(0.0)	100.00%	4.5	Subsidiary
32	Sun Pharma Switzerland Ltd.	Switzerland	Marketing of pharmaceutical products	CHF	1	25.0	(5.2)	0.0	-	99.99%	9.7	Subsidiary
33	Sun Pharma Holdings	Mauritius	Holding Company	USD	2 3	0.0	(71.6)	-	-	100.00%	292396.5	Subsidiary
34	PI Real Estate Ventures, LLC	USA	Subsidiary	USD	0	256.4	132.8	-	-	100.00%	0.0	Subsidiary
35	Sun Pharma East Africa Limited	Kenya	Marketing of pharmaceutical products	KES	88	921.6	34.1	15.4	0.2	100.00%	0.1	Subsidiary
36	Basics GmbH	Germany	Marketing of pharmaceutical products	EUR	37	4252.3	259.4	63.9	57.3	100.00%	450.3	Subsidiary

(All financial numbers are in local currency in Million)

Sl. No.	Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of 31st March 2025	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
37	Ranbaxy Pharmaceuticals Ukraine LLC	Ukraine	Marketing of pharmaceutical products	UAH	100	943.3	97.0	18.2	12.3	100.00%	82.5	Subsidiary
38	Sun Pharmaceuticals Morocco LLC	Morocco	Marketing of pharmaceutical products	MAD	131	3379.7	87.5	17.8	17.1	100.00%	108.5	Subsidiary
39	Sun Pharmaceutical Industries S.A.C.	Peru	Marketing of pharmaceutical products	PEN	0	761.5	53.5	14.2	0.0	100.00%	101.4	Subsidiary
40	Sun Pharma Holdings UK Limited	UK	Holding Company	GBP	0	0.0	(1.4)	-	-	100.00%	3373.9	Subsidiary
41	Sun Pharma France	France	Manufacturing & marketing of pharmaceutical products	EUR	22	4535.5	(34.4)	-	7.8	100.00%	4151.8	Subsidiary
42	Sun Pharma Italia srl	Italy	Marketing of pharmaceutical products	EUR	22	4482.1	58.3	55.3	25.5	100.00%	4.6	Subsidiary
43	Ranbaxy Pharmaceuticals (Pty) Ltd	South Africa	Manufacturing & marketing of pharmaceutical products	ZAR	89	8735.3	670.2	197.6	234.2	100.00%	3263.1	Subsidiary
44	Ranbaxy South Africa (Pty) Ltd	South Africa	Manufacturing & marketing of pharmaceutical products	ZAR	294	510.2	54.4	11.3	2.4	100.00%	81.6	Subsidiary
45	Sonke Pharmaceuticals Proprietary Limited	South Africa	Joint Venture	ZAR	4	1919.6	148.6	39.6	24.5	70.00%	9.3	Subsidiary

(All financial numbers are in local currency in Million)

Sl. No.	Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of 31st March 2025	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
46	Sun Pharma Egypt LLC	Egypt	Manufacturing & marketing of pharmaceutical products	EGP	180	829.9	113.1	-	11.7	100.00%	475.9	Subsidiary
47	Rexcel Egypt LLC	Egypt	Manufacturing & marketing of pharmaceutical products	EGP	1	28.7	3.0	-	0.9	100.00%	3.5	Subsidiary
48	Sun Pharma UK Limited	UK	Marketing of pharmaceutical products	GBP	21	5799.9	150.1	37.8	39.0	100.00%	2401.6	Subsidiary
49	Ranbaxy (Poland) SP. Z O.O.	Poland	Manufacturing & marketing of pharmaceutical products	PLN	84	917.0	37.8	11.1	8.3	100.00%	94.6	Subsidiary
50	Ranbaxy Nigeria Limited	Nigeria	Manufacturing & marketing of pharmaceutical products	NGN	206	1029.8	(298.2)	5.5	3.9	86.16%	2.2	Subsidiary
51	Ranbaxy (Thailand) Co., Ltd.	Thailand	Marketing of pharmaceutical products	THB	101	2389.7	49.3	31.2	30.9	100.00%	289.7	Subsidiary
52	Ohm Laboratories, Inc.	USA	Manufacturing of pharmaceutical products	USD	335	8030.1	(2,974.6)	(608.7)	-	100.00%	20.4	Subsidiary
53	Ranbaxy Signature LLC	USA	Joint Venture	USD	0	0.0	(0.2)	-	-	67.50%	0.0	Subsidiary

(All financial numbers are in local currency in Million)

Sl. No.	Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of 31st March 2025	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
54	Ranbaxy Inc.	USA	Holding Company	USD	18	0.0	(2,667.4)	(3.2)	-	100.00%	1090.7	Subsidiary
55	AO Ranbaxy	Russia	Marketing of pharmaceutical products	RUB	439	11512.4	(404.0)	(91.8)	237.3	100.00%	163.5	Subsidiary
56	Sun Pharma Laboratorios,S.L.U.	Spain	Manufacturing & marketing of pharmaceutical products	EUR	21	2887.1	91.3	22.8	8.6	100.00%	92.4	Subsidiary
57	Ranbaxy (Malaysia) SDN. BHD.	Malaysia	Manufacturing & marketing of pharmaceutical products	MYR	258	4195.3	1,148.0	276.9	234.8	96.10%	159.8	Subsidiary
58	Ranbaxy Farmaceutica Ltda.	Brazil	Marketing of pharmaceutical products	BRL	11	6605.3	450.6	(244.0)	233.7	100.00%	257.8	Subsidiary
59	Sun Pharma ANZ Pty Ltd	Australia	Manufacturing & marketing of pharmaceutical products	AUD	54	4864.3	206.9	63.3	94.4	100.00%	1710.8	Subsidiary
60	Sun Pharma Canada Inc.	Canada	Marketing of pharmaceutical products	CAD	657	4235.1	175.2	30.1	0.1	99.99%	133.9	Subsidiary
61	SC Terapia SA	Romania	Manufacturing & marketing of pharmaceutical products	RON	870	26340.4	7,528.3	1,127.9	984.6	96.81%	463.7	Subsidiary

(All financial numbers are in local currency in Million)

Sl. No.	Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of 31st March 2025	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
62	Sun Pharma (Netherlands) B.V.	Netherlands	Holding Company	USD	2	4556.9	4,247.8	270.9	641.2	100.00%	66322.8	Subsidiary
63	JSC Biosintez	Russia	Manufacturing of pharmaceutical products	RUB	893	3331.0	572.9	118.1	455.9	100.00%	0.3	Subsidiary
64	Sun Pharmaceuticals Holdings USA, Inc.	USA	Holding Company	USD	0	0.0	0.9	-	45.4	100.00%	0.0	Subsidiary
65	Foundation for Disease Elimination and Control of India	India	Not-for-profit company for CSR activities	INR	0	1.3	0.2	-	-	100.00%	0.1	Subsidiary
66	Zenotech Laboratories Limited	India	Manufacturing of pharmaceutical products	INR	237	430.5	106.9	50.8	19.4	68.84%	610.3	Subsidiary
67	Sun Pharmaceutical Medicare Limited	India	Manufacturing of pharmaceutical products	INR	1249	4097.0	(499.1)	1.8	(15.8)	100.00%	2.5	Subsidiary
68	Sun Pharma Distributors Limited	India	Distribution of pharmaceutical products	INR	18	168832.3	4,257.4	1,085.5	1,074.5	100.00%	1.5	Subsidiary
69	Realstone Infra Limited	India	Subsidiary	INR	0	0.0	(85.5)	-	-	100.00%	2.5	Subsidiary
70	Sun Pharmaceuticals (EZ) Limited	Bangladesh	Manufacturing & marketing of pharmaceutical products	BDT	698	92.0	(506.0)	-	0.4	72.49%	42.2	Subsidiary

(All financial numbers are in local currency in Million)

Sl. No.	Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of 31st March 2025	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
71	Sun Pharma (Shanghai) Co.,Ltd	China	Marketing of pharmaceutical products	RMB	9	91.0	8.6	0.5	1.6	100.00%	11.8	Subsidiary
72	Alchemee, LLC	USA	Manufacturing & marketing of OTC pharmaceutical products	USD	60	4726.0	(108.7)	37.0	2.4	99.99%	0.0	Subsidiary
73	Proactiv YK	USA	Marketing of OTC pharmaceutical products	JPY	5	1182.5	25.0	17.9	-	99.99%	0.0	Subsidiary
74	The Proactiv Company KK	USA	Subsidiary	JPY	27	0.0	9.6	0.8	-	99.99%	0.0	Subsidiary
75	The Proactiv Company Holdings, Inc. (Formerly known as Galderma Holdings, Inc.)	USA	Holding Company	USD	0	0.0	-	-	-	99.99%	0.0	Subsidiary
76	Alchemee Skincare Corporation (Formerly known as The Proactiv Company Corporation)	USA	Marketing of OTC pharmaceutical products	USD	0	419.6	205.2	-	-	99.99%	0.0	Subsidiary
77	Concert Pharma Ireland Limited	Ireland	R&D	USD	0	0.0	-	-	-	100.00%	0.0	Subsidiary
78	Taro Pharma Corporation, Inc.	USA	Marketing of OTC pharmaceutical products	USD	0	0.0	-	-	-	99.99%	0.0	Subsidiary

(All financial numbers are in local currency in Million)

Sl. No.	Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of 31st March 2025	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
79	Vivaldis Health and Foods Private Limited	India	Business of Veterinary Medicines, Nutrition and Pet Care	INR	Pending	813.0	118.7	29.9	31.3	60.11%	4.3	Subsidiary
80	Sun Pharma Middle East FZE LLC	UAE	Marketing of pharmaceutical products	AED	3	77.6	(6.8)	(0.6)	-	100.00%	5.8	Subsidiary
81	Sun Pharma Luxembourg S.A(Formely known as Valstar S.A.)	Luxembourg	Holding Company	EUR	0	0.0	(95.3)	0.4	-	100.00%	14.3	Subsidiary
82	Sun Pharmaceuticals North Africa SA (Formely Known as Kemipharm)	Morocco	Manufacturing and marketing of pharmaceutical products	MAD	68	104.2	(423.7)	0.2	0.2	100.00%	1330.7	Subsidiary
83	Snoopy Merger Sub, Inc.	USA	Holding Company	USD	0	0.0	-	-	-	100.00%	0.0	Subsidiary
84	Antibe Therapeutics Inc.	Canada	R&D	CAD	0	0.0	-	-	-	99.99%	0.0	Subsidiary
85	Sun Pharma Community Healthcare Society	India	CSR Entity	INR	50	40.3	3.1	-	-	100.00%	0.0	Subsidiary
86	Sun Pharma Science Foundation	India	CSR Entity	INR	2	6.4	0.4	-	-	100.00%	0.0	Subsidiary

Risk Management

Risk Management at Sun Pharma is a cross-functional, collaborative effort involving multiple departments to ensure a unified approach to identifying and managing risks. Oversight lies with the independent Risk Management Committee (RMC), constituted by the Board of Directors. The RMC is responsible for ensuring robust systems and processes are in place to monitor and evaluate business risks, oversee implementation of the Risk Management Policy, and assess system effectiveness. It also conducts quarterly reviews of the Enterprise Risk Management (ERM) framework and updates the Board on the evolving risk landscape and mitigation actions.

At the operational level, Risk Coordinators lead risk management activities across business and support functions. They regularly review the Risk Register to ensure comprehensive risk coverage and support functions in identifying, assessing, prioritizing, monitoring, and reporting risks. Risk Coordinators maintain oversight of ongoing risks, track mitigation efforts, and submit periodic updates to the ERM team. Function Heads act as the second line of operational risk management. They are accountable for managing risks within their areas, conducting periodic reviews, and ensuring risk registers are current. They also assess the effectiveness of mitigation measures and implement further actions as needed to minimize exposure.

The ERM team maintains the central Risk Register, ensures the adequacy of risk management processes, and tracks mitigation progress for significant risks. They collaborate closely with Risk Coordinators to confirm mitigation measures are appropriate and implemented. The team prepares regular risk reports for the RMC.

Our Internal Audit team, the third line of defense and which is led by our Head of Global Internal Audit, periodically reviews the effectiveness of mitigation actions and validates risk controls through internal audits.

Through our materiality assessment process, we capture stakeholder perceptions of important sustainability topics for our business. This enables the management to consider the views of stakeholders while evaluating and reviewing the risk register as a part of ERM framework, enabling in creation of risk responses to important areas which affect our ability to create, preserve or erode the possibility of value creation potential of our business. Material topics are reviewed annually with senior management to determine if shifts in macroeconomic trends, business dynamics, or strategy warrant the inclusion, removal, or reprioritization of risks.

Approach to Risk Management

Risk management at Sun Pharma is a continuous and embedded process. We follow a structured approach that enables focused risk management planning, early identification and analyses of risks and targeted intervention of mitigation measures. This is further supported with continuous monitoring and reassessment, communication, documentation and coordination.

We have developed a comprehensive risk management process that begins with Risk Identification, where function heads proactively recognize internal, external, and emerging risks that could impact business objectives. These are systematically documented in a risk register, detailing descriptions, root causes, and existing controls. In the Risk Assessment and Prioritization stage, identified risks are evaluated for their likelihood and impact—through both qualitative and quantitative analysis—aligned with the company's defined risk appetite. This enables the prioritization of key risks requiring focused attention.

During Risk Response, respective function heads formulate and implement targeted mitigation plans with defined timelines, selecting strategies such as risk reduction, acceptance, transfer, or avoidance, in consultation with senior management. Risk Reporting is carried out regularly by the ERM team and functional leads, ensuring that key risks and mitigation progress are communicated to senior leadership and the Risk Management Committee. The RMC is provided with updates every six months on newly identified emerging risks ensuring a proactive dynamic risk management approach and transparency in viewing risks. Finally, through Risk Monitoring, the company maintains an ongoing review process to track the implementation and effectiveness of risk mitigation measures, enabling timely updates and continuous strengthening of the risk management framework. We expeditiously escalate new risks and periodically internally review and monitor existing risks and mitigation measures, minimum twice a year or more if necessary.

In case of an adverse incident taking place, the management of the Company informs all the related stakeholders. The updates may also be communicated to the Board level Risk Management Committee, depending on how critical the event is.

The table below gives details on the identified risks, description of the risks, potential impact and mitigation actions of the identified risks: .

Sl. No.	Risk Area	Description	Impact	Mitigating actions	Magnitude	Likelihood
1.	Corporate Governance and Business Ethics 	Addresses the requirements of sustaining a high standard of compliance across various markets, staying up to date with changing regulations, and enforcing ethical business practices.	Failure to maintain and uphold the highest standards of corporate governance and business ethics could result in regulatory consequences as well as financial and reputational damage and business continuity.	• Consistent and regular engagement with regulatory agencies in all our markets, to ensure compliance and reduce any possibility of noncompliance. • Focused and regular training is provided to all staff members to ensure strict compliance with the Company's business ethics and Global Code of Conduct. Strong focus is also given to quality control at all operational locations to maintain cGMP compliance.	Minor	Unlikely
2.	Product Quality, Safety and Recall Management 	These risks are associated with identification of the difficulties in monitoring and making sure of the safety of our products throughout their lifecycle. It includes the following issues such as adverse event reporting, compliance with GxP regulations, and communication of safety-related information.	Significant concerns with product safety and quality could lead to recalls and regulatory alerts, temporarily impair business operations, and harm our reputation and brand. It could also result in legal repercussions, fines and penalties.	• Ensure continued and strict compliance with global quality standards and protocols and the applicable local regulatory requirements. • Provide for robust and centralised pharmacovigilance systems with thorough Standard Operating Procedures (SOPs) to ensure effective monitoring and reporting of adverse events. • Regular investment in technological advancement, training programs on current Good Manufacturing Practices (cGMP), automation, digitalisation, and employee skill development. • Undertake detailed and regular quality assessments of third-party suppliers. • Implement measures to protect our brand (intellectual property and trademarks) and combat counterfeiting, for ensuring the authenticity of our products in the market.	Major	Unlikely

Sl. No.	Risk Area	Description	Impact	Mitigating actions	Magnitude	Likelihood
3.	Cyber Security and Data Privacy 	Vulnerabilities of legacy systems, absence of regular technology updates and potential cyber threats from hackers and data breaches that compromise sensitive information and digital assets.	The absence of a strong data integrity and security mechanism significantly increases the risk of data breaches, potentially leading to the loss of valuable data with potential adverse effects on the business. Breaches of customer/ stakeholder data may expose us to litigation, fines, and penalties.	• Regular vulnerability assessments and simulated hacker attacks of our IT systems are undertaken to prevent breaches of Company or stakeholders' data. • We have implemented patch management, antivirus software, IT monitoring systems, and perimeter protection to reduce the risks associated with cyber security and data breaches. Furthermore, we regularly provide training to our staff members on cybersecurity and reaffirm this knowledge through recurring internal emails that address secure data practices, safeguarding against phishing emails, and averting hacker attacks	Major	Likely
4.	Human Capital Development 	Focused investment in talent management initiatives, such as talent acquisition, retention, development, employee well-being and satisfaction.	Neglecting to meet employee expectations could lead to adverse long-term effects on productivity and hinder the Company's growth trajectory.	• We implement various initiatives to attract and retain talent, including global talent management programs, competitive compensation, fostering an inclusive work culture, and offering employee benefits programs. • We have established a formal succession planning program for all leadership positions. • We prioritise employee skill enhancement through continuous training and development opportunities.	Major	Remote/ Rare

Sl. No.	Risk Area	Description	Impact	Mitigating actions	Magnitude	Likelihood
5.	Access and Affordability 	Addresses hindrances in product portfolio, product accessibility, and pricing.	Long-term brand value and growth prospects may suffer if the Company's products become inaccessible or if expansion into new geographic markets is hindered.	• We prioritise building a robust and diversified product portfolio through improved cross-functional synergies, organisational capabilities, project management, and governance throughout the product lifecycle. • We enhance our capabilities in both in-licensing and out-licensing of products. • Our focus lies on the development and commercialisation of complex generics and specialty products, among other priorities. • We emphasise operational excellence programs aimed at improving yields, ensuring supply chain continuity, and maintaining sufficient inventory levels.	Major	Possible
6.	Environmental Impact Management 	Increased efforts for efficient water usage and reduced waste generation, and proper disposal are necessary to demonstrate the company's commitment to a sustainable future and a healthy planet.	Neglecting environmental effects can result in unfavorable legal, regulatory, and financial repercussions, a decline in shareholder trust and reputation, and finally could lead to potential loss of an operating license.	• We continue to identify opportunities to minimise any adverse environmental effect from our operations. We have adopted targets for waste management and water conservation. Our targets are to reduce water consumption by 10% and to co-process 30% of hazardous waste by 2025. • We closely monitor and track our waste management and water consumption. Our priorities are to increase water efficiency, decrease water withdrawal, and increase water recovery. For waste management, we focus on co-processing hazardous waste and increasing recycling and reuse within our own operations.	Minor	Unlikely

Sl. No.	Risk Area	Description	Impact	Mitigating actions	Magnitude	Likelihood
7.	Climate change 	Inefficacious management of greenhouse gas (GHG) emissions that could lead to climate related physical and transition risks of the company, causing disruption of operations and affecting business continuity.	Our assets could be harmed by possible direct physical threats to our activities, which consequently, can result in a halt to operations and a rise in the cost of repairing and rebuilding affected locations. The transition risks brought on by climate change may also lead to stricter laws in the nations where we do business and export, which would increase the cost of compliance or new technology investments. Losing reputation and the trust of stakeholders can also result from a failure to respond to the negative effects of climate change	• The company has set a 35% reduction target for absolute carbon emissions (Scope 1 and Scope 2) by 2030 compared to baseline of 2020. • To identify and assess the physical and transitional risks associated with our operations, we have also undertaken climate risk assessments. • By boosting the proportion of biomass, obtaining renewable energy, and putting energy efficiency programs into place to maximise our energy usage, we are constantly looking for ways to lessen our dependence on fossil fuels in our operations.	Minor	Unlikely

Sl. No.	Risk Area	Description	Impact	Mitigating actions	Magnitude	Likelihood
8.	Sustainable Supply Chain and Responsible Procurement 	Consists of supply chain disruptions that could affect the business continuity or product quality and the risk of non-substitutable suppliers that can affect the continued availability of critical raw materials.	Long-term commercial partnerships with suppliers may be impacted if standards related to various social, environmental and safety aspects are not complied with by suppliers, leading to loss of business value. Non-substitutable and critical raw material suppliers may impact the business in case of any unforeseen disruptions.	• We are constantly looking for ways to reduce supply chain risk by assessing potential substitute sources for essential or non-replaceable raw materials. • The suppliers are required to abide by the Company's ESG requirements as part of the Supplier and Third Party Code of Conduct. • The Company has a high focus on developing quality products and safety of consumers. The quality of raw materials for our production process is ensured by conducting periodic supplier audits.	Moderate	Possible
9.	Occupational Health and Safety (OHS) 	OHS is an integral part of our commitment to provide a safe and secure work environment for employees. Having an ineffective Health and Safety management system and programs may cause many health and safety incidents.	A regular occurrence of health and safety issues will negatively impact the performance of the Company concerning worker well-being and safety. This will have an effect on the Company's reputation, brand image, and capacity to draw in and retain talent.	• The business maintains a robust Environmental Health and Safety (EHS) management system, comprising regular audits of its EHS procedures, both internal and external. • Our Process Safety Management system's guiding principles serve as the foundation for both our safety procedures and risk assessment methodology, which unifies our approach to health and safety from the perspectives of working conditions and risk assessment. • After potential risks are identified and safety incidents are evaluated, a thorough corrective action plan is established to prevent occurrence of similar incidents in the future.	Minor	Possible

Sl. No.	Risk Area	Description	Impact	Mitigating actions	Magnitude	Likelihood
10.	Ethical Clinical Trials and Animal Testing 	Addressing risks associated with clinical trials and animal testing is critical to demonstrate our commitment to responsible research practices, especially around the ethical and safety-related concerns of trials on human subjects and animal testing. Adverse events related to research practices can cause delays in product development and lead to financial losses and negative public perception.	Failure to comply with guidelines and regulations of clinical trials and animal testing can undermine the efficacy and safety of the Company's clinical trials. It may also have an adverse regulatory/ legal impact, lead to financial damages and reputation loss and have a negative impact on participant's health and safety. Delays at any stage can also prolong the overall timeline for drug development, leading to increased costs.	• The Company complies with all relevant regulatory requirements governing clinical trials and animal testing. We have dedicated teams, responsible for ensuring compliance with these regulations, which involve obtaining necessary approvals, permits, and maintaining thorough documentation. • We also implement robust quality control and safety measures throughout the research process. This involves monitoring and auditing the conduct of clinical trials, data collection, and analysis to ensure accuracy, reliability, and compliance with relevant standards. • Long term safety studies are undertaken for some of our innovative specialty products, post commercialisation, in order to evaluate and measure safety parameters over a longer time horizon. • On certain projects we collaborate with academic institutions, research organisations, and regulatory agencies to share knowledge, expertise, and resources. Such collaborations also enable collective efforts, checks and balances to enhance the quality and ethical standards of clinical trials and animal testing.	Moderate	Rare

Sl. No.	Risk Area	Description	Impact	Mitigating actions	Magnitude	Likelihood
11.	Business interruption/ Operational inefficiencies 	Possible disruptions or inefficiencies by natural disasters, regulatory hindrance, cybersecurity threats, or workmen shortages could have an impact on the manufacturing and supply chains.	Business interruptions/ operational inefficiencies can result in the loss of revenue, surge in operational expenses, and, in extreme cases, damage to the company's reputation. Additionally delays in the entering the market could have an impact on our competitiveness. Data breach cases could escalate legal and financial liabilities.	• 3-month planning for crucial raw materials to avoid stockouts • Keep safety stock for approximately three months for all critical products. When there is a supply delay, decrease lead time by transporting shipments through air and ensuring availability of the product. • Regular review by senior management and department-wise responsibility given to ensure adherence with relevant regulatory requirements and product launch timeframes. • We keep a stock of essential spares at many sites to ensure uninterrupted availability. • Install backup solutions like DG sets and tanker supplies to decrease the chances of power and raw material shortages. • We raise new manpower requests during budget to manage shortage in manpower and evaluate the site regularly.	API Business – Minor Formulation Business – Moderate	API Business– Likely Formulation Business - Likely

Sl. No.	Risk Area	Description	Impact	Mitigating actions	Magnitude	Likelihood
12.	Intellectual Property (IP), trademark, technology, and other confidential information 	Possible threats to our intellectual assets include theft, unauthorized usage, or violation of patents, trademarks, and confidential data	Breach of valuable assets could lead to costly legal battles and erode the company's reputation. Further, stakeholder trust could be impacted if confidential data is compromised, impacting partnerships and customer confidence	• Work with Drug Controllers to execute compliance and revoke manufacturing licenses of counterfeiters. • Provide training for identifying potential market violation to the field force. • We have set a dedicated team at the head office to manage field inputs and carry out actions deemed necessary. • Inspecting new trademark filings periodically to recognize conflicts and avoid infringements. • Setting up a standard operating procedure and framework and standard to safeguard our IP for branded products in important markets.	Moderate	Likely
13.	Price, Cost & Margin pressure 	Market competition, healthcare revisions, price controls set by the government and changes in the expenses of raw material and manufacturing affect the business profitability	Adverse effects on the overall financial performance and long-term business viability	Reinforce product portfolio with new and innovative products to be distinct to set from competitors and withstand pricing pressures. Cost-Effective Solutions such as: -Identify the feasibility of creating alternative vendors/ sites for products to enhance production costs and reduce dependencies. -Optimize the dependencies on sea and air transport in favor of cost-effective sea shipments to decrease transportation expenses. -Explore other options such as usage of alternate fuels and automation to increase cost efficiency in manufacturing processes	Major	Unlikely

Emerging Risks

At Sun Pharma, our risk management process evaluates not only the likelihood and impact of risks but also the timeframe within which they may materialize. In addition to addressing current risks, we proactively assess Emerging Risks at least once every three years to enable timely action and avoid significant disruptions. These risks are identified based on their potential occurrence and impact on the business, in alignment with our risk management framework. The Risk Management Committee classifies emerging risks following a comprehensive analysis of internal data, external trends, market dynamics, regulatory developments, and expert insights. This structured and forward-looking approach ensures early identification of threats and facilitates the development of effective mitigation strategies.

	Emerging Risk 1 - Geopolitical Fragmentation	Emerging Risk 2 - Global Tariff Volatility
Description	Sun Pharma faces elevated risks to its manufacturing facilities and customer operations located in regions experiencing heightened geopolitical tensions, particularly in the Middle East and Eastern Europe. Ongoing regional conflicts in countries such as Israel, Iran, Russia & Ukraine and sudden change in regimes in countries like Bangladesh, and Nepal—where the company has a presence—pose potential disruptions to business continuity and operational stability.	US is a major market for Sun Pharma and hence any increase in US import tariffs may potentially have a negative impact. Evolving global tariff policies are creating additional risks for traded goods. Higher tariffs on finished formulations and products routed through multiple jurisdictions are eroding margins, restricting product availability, and straining cross-border distribution models. In regions with complex trade dynamics, tariff volatility also heightens regulatory delays and operational uncertainty, challenging company's ability to ensure timely, cost-effective access to international markets. These compounding pressures make it harder to balance competitive pricing with reliable global supply. Higher tariff's may also result in rising prices of imported active pharmaceutical ingredients (APIs) and critical intermediates exerting sustained upward pressure on production expenses. This trend threatens to disrupt supply chain stability, raise overall manufacturing costs, and inflate drug pricing. In addition, higher input costs risk slowing down innovation cycles, including research and development efforts, as resources are diverted to manage operational expenses rather than growth and advancement.

	Emerging Risk 1 - Geopolitical Fragmentation	Emerging Risk 2 - Global Tariff Volatility
Impact 	Sun Pharma operates globally, with manufacturing facilities and customers spread across multiple countries, including regions such as Israel, Russia, and Bangladesh that have been experiencing prolonged geopolitical tensions. These ongoing conflicts present several operational challenges. Supply chain disruptions remain a major concern, as restricted movement of raw materials and finished goods can lead to production delays or halts. Ensuring the safety of our workforce is critical, as security threats may impact employee availability. Facilities are also at risk of physical damage, which could affect both manufacturing and R&D operations. Additionally, prolonged instability can disrupt local healthcare systems, limiting patient access to essential medicines. Trade restrictions, sanctions, and economic volatility in conflict-affected regions may further impact international transactions, drive currency fluctuations, and increase operational costs, thereby affecting overall business performance.	Tariffs raise production costs, squeezing profit margins and making it difficult to pass these costs to consumers in regulated and price-sensitive markets, thereby creating financial pressure. Additionally, tariff-related delays at ports, increased customs scrutiny, and logistical bottlenecks can disrupt the global supply chain. This affects the timely availability of raw materials, traded formulations, and finished products, potentially leading to stockouts, missed market opportunities, and reputational risks. Higher costs and procurement delays for specialized equipment and materials may hinder R&D activities, which could slow the development of complex generics, biosimilars, and novel formulations, ultimately impacting the innovation pipeline and long-term competitiveness. Furthermore, tariff barriers may reduce the price competitiveness of both manufactured and traded products in key international markets. Regulatory delays and increased compliance burdens could further complicate market entry and expansion strategies, especially in emerging economies and regions with volatile trade policies.
Mitigation Measures 	To address potential geopolitical disruptions, Sun Pharma has implemented a comprehensive risk management and contingency planning framework. Our approach includes strategic planning, geographical diversification, supply chain & Inventory management, prudent resource allocation, and the cultivation of strong international partnerships to mitigate the effects of geopolitical fragmentation. Additionally, our corporate social responsibility initiatives and active engagement with local communities' help build trust and goodwill, reducing political risk. By investing in healthcare infrastructure and community development programs, we strengthen our relationships with local stakeholders and enhance our resilience in volatile regions.	A multi-pronged strategy is pursued for mitigating impact of emerging tariff-related risks. This includes diversifying exports of pharmaceutical products, traded formulations, and equipment across regions with lower tariff exposure, thereby reducing dependence on few markets; strengthening local manufacturing capabilities to enhance self-sufficiency and reduce vulnerability to international trade disruptions. In parallel, we are engaging in proactive trade policy monitoring and advocacy to stay ahead of regulatory developments. Additionally, we are working on building strategic inventory buffers for critical inputs and traded goods across global sites to ensure continuity of operations alongside supporting collective efforts in tariff negotiations and policy shaping.

Risk Culture

At Sun Pharma, we emphasize the importance of cultivating a strong risk culture supported by a robust risk management framework that enables timely identification and mitigation of potential risks. We believe that fostering an enterprise-wide risk management appetite is essential for effective and proactive risk management.

To build awareness and strengthen risk capabilities, we provide focused training to employees on identifying, assessing, and reporting risks. Regular communication from the Company Secretary helps reinforce best practices and compliance with regulatory requirements. The Board also receives periodic briefings and educational inputs on risk management.

Recognizing the critical role of risk assessment in pharmaceutical operations, we have embedded risk considerations into our product development and approval processes. Our comprehensive Global Quality Standard equips teams with essential guidance on managing product quality risks, supporting safe and compliant innovation.

Materiality Assessment

Stakeholder engagement is fundamental to our business, enabling consistent and ongoing dialogue across all levels. Our dedicated functional teams regularly interact with stakeholders to build and nurture long-term relationships. We seek stakeholder input on Environmental, Social, and Governance (ESG) matters through surveys and consultations. By taking their inputs for our ESG materiality assessment process, we ensure their insights are given due consideration in shaping our strategies. Leveraging digital platforms and social media, we broaden our outreach and foster inclusive conversations with a diverse stakeholder base. This approach strengthens our ESG strategy by integrating a wide range of perspectives.

We have adopted a structured methodology for stakeholder identification and mapping. Engaging effectively with key stakeholders is essential for gaining a comprehensive understanding on their diverse expectations of our company. Our stakeholders base is diverse, encompassing both external and internal entities such as shareholders, regulators, suppliers, third-party manufacturers, non-governmental organizations (NGOs), local communities, customers, patients, employees, and our senior leadership.

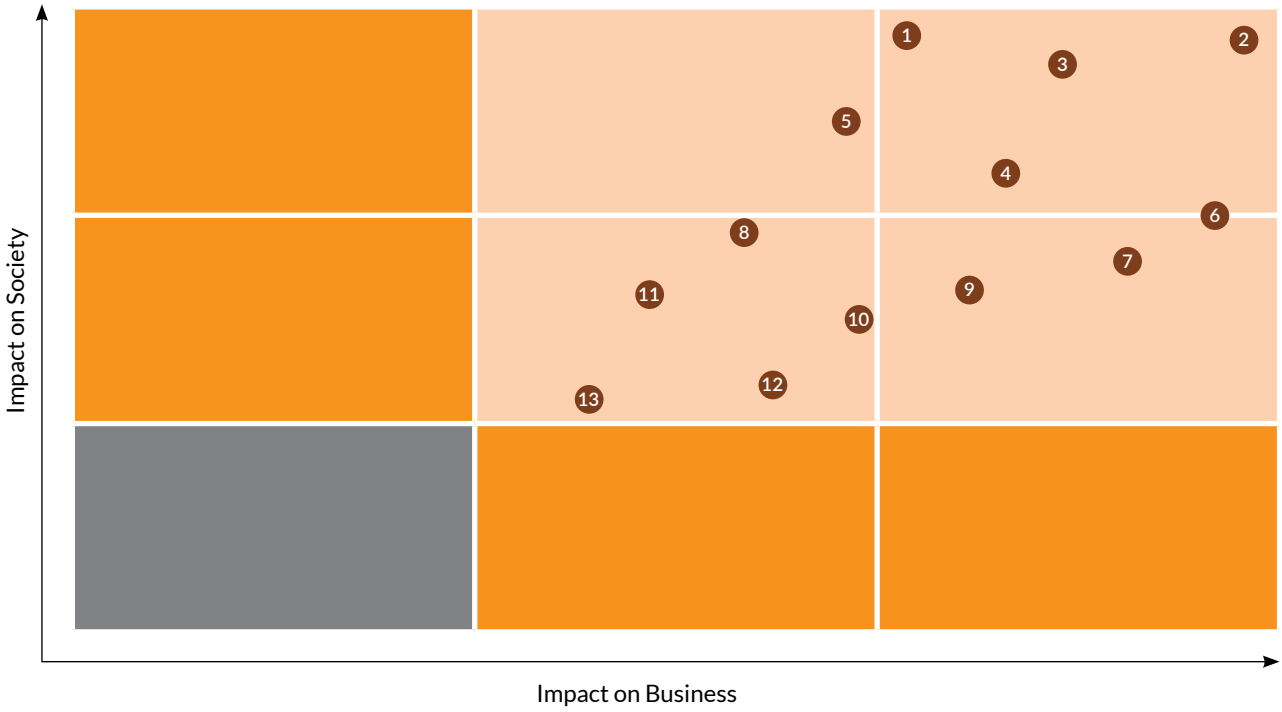
Additionally, we also conducted a review of our approach to identifying the most critical material topics for our business, applying the principles of double materiality, with an intention to reflect upon the changing priorities of our stakeholders and align them with our strategic goals. During the reassessment, we evaluated material topics based on their impact on both business performance and broader societal or environmental outcomes. This approach enables us to proactively address key Environmental, Social, and Governance (ESG) challenges, thereby fostering sustainable value creation for all our stakeholders. We engaged with our Senior Management through reviews and discussions regarding our revised materiality assessment and the key material issues. To stay aligned with dynamic external factors such as shifts in the competitive landscape, macroeconomic trends, evolving consumer preferences, and regulatory and investor expectations, we have institutionalized a formal approach that ensures the continuous review and prioritization of material topics.[11] Our materiality assessment process is verified by a third-party assurance provider.

[11]GRI 3-1, 3-2, 3-3

Our Top Materiality Issues - FY 2024-25

We have prioritized the key material topics relevant to our business and presented them visually through a materiality matrix. These topics are the outcome of a process involving stakeholder engagement and materiality assessment, guided by the principles of double materiality. We have considered the perceived impact of the material topic on Sun Pharma's business and its ability to create, preserve, or erode value for shareholders and other stakeholders. Additionally, we have also attempted to assess the impact of these topics on society and the environment through Sun Pharma's business activities.

Materiality Matrix FY2024-25



1. Innovation Management
2. Climate Change
3. Environmental Impact Management
4. Corporate Governance and Business Ethics
5. Access to and Affordability of Medicines
6. Cyber Security and Data Privacy
7. Product Quality, Safety and Recall Management
8. Human Capital Development
9. Occupational Health and Safety
10. Diversity, Equity and Inclusivity
11. Sustainable Supply Chain and Responsible Procurement
12. Social Impact through Community Engagement
13. Ethical Clinical Trials and Animal Testing

While we remain committed to closely monitoring and tracking our performance and progress across all identified material topics, we have provided a detailed overview of our approach to managing our top five material topics which have the highest relative importance for both business continuity and societal value creation. Our detailed Materiality Assessment and management approach may be found on page 96 at the link: https://sunpharma.com/wp-content/uploads/2025/07/SPIL-Annual-Report-2024-25.pdf

Indicator	Material Issue 1
Material Issue 	Innovation Management
Business Case 	• Investments in R&D are strategically directed towards the development of new generic products, pursue complex generics, and specialty products development. These efforts help in expanding the product pipeline, support the development of specialty products (including completion of clinical trials), and diversify the portfolio offerings, contributing to revenue growth and sustaining a competitive advantage. • R&D plays a pivotal role in pioneering non-infringing processes that are essential for the creation and commercialization of generic products. It provides scientific evidence and data required to demonstrate non-infringement and/or invalidation over existing patents held by the original drug manufacturer. This capability strengthens our ability to launch new generic products ahead of patent expiry thereby driving higher revenues. Additionally, R&D teams are actively involved in optimizing manufacturing processes for generic drugs, with a focus on improving efficiency, reducing costs, and maintaining stringent quality standards. These efforts involve developing novel formulations, refining production techniques, and implementing cost-effective manufacturing practices. • Before a generic drug can be approved, it must demonstrate bioequivalence to the branded reference product. Our R&D team conducts studies to establish the equivalence in terms of safety, efficacy, and pharmacokinetic properties ensuring that the generic drug can be substituted for the innovator product. These studies require dedicated R&D investments to generate the necessary scientific data and evidence.
Business Impact 	Revenue
Business Strategy 	Our R&D efforts are on developing complex and innovative products across various dosage forms, supported by robust chemistry/biological/clinical trials capabilities. With a skilled R&D team of over 2,900 people and a strong intellectual property team working closely with R&D to develop non-infringing processes, We continue to drive innovation. These efforts are funded through our annual R&D budget. Since inception, we have spent ~INR 300 billion on our R&D initiatives till date. All these resources help us in driving innovation in our business.
Target 	Invest 6-8% of revenues on R&D annually
Target Year 	2026
Progress 	6.2% of revenues invested in R&D for the reporting year
Executive Compensation Linked 	Our Senior Management including the R&D team has performance linked incentive as one of the components of their overall compensation

Indicator	Material Issue 2
Material Issue 	Climate Change
Business Case 	• Inadequate management of greenhouse gas (GHG) emissions may expose the Company to climate-related physical and transition risks, potentially disrupting operations and impacting business continuity. • Potential immediate physical risks to our operations may result in asset damage, leading to business interruptions and increased costs for repairs and restoration of affected sites. • Transition risks associated with climate change may lead to more stringent regulations in countries where we operate and export, resulting in higher compliance costs or increased investments in newer technologies. • Failure to adapt to the adverse impacts of climate change may also result in reputational damage and erosion of stakeholder trust. • Failure to limit greenhouse gas (GHG) emissions may result in financial implications, including costs associated with carbon taxes or pricing mechanisms. • Failure to manage the product-level greenhouse gas (GHG) footprint may potentially limit the Company's access to customers and markets that have adopted Net Zero goals.
Business Impact 	Risk
Business Strategy 	We have undertaken a climate risk assessment across our operations to evaluate both physical and transition risks. As part of our ongoing efforts to reduce reliance on fossil fuels, we are actively increasing the share of renewable energy in our total energy consumption. Additionally, we are implementing energy efficiency initiatives to optimize energy use. Our commitment is further demonstrated through investments in multiple renewable energy power projects. Additionally, we have also set a target of becoming a Net Zero Company by 2050.
Target 	Reduction of carbon emissions by 35% (Scope 1 and Scope 2) by 2030 compared to baseline year of 2020.
Target Year 	2030
Progress 	21% reduction achieved by the reporting year compared to the baseline year 2020
Executive Compensation Linked 	Our Senior Management including the EHS team has performance linked incentive as one of the components of their overall compensation

Indicator	Material Issue 3
Material Issue 	Environmental Impact Management
Business Case 	Efficient water management is critical for the Company to generate a positive environmental impact. Prioritizing efforts toward responsible water usage reflects our commitment to a sustainable future and a healthier planet. Failure to proactively manage water resources may expose the Company to risks such as water scarcity, volatile water pricing, and potential disruptions to business operations.
Business Impact 	Risk
Business Strategy 	The Company remains committed to identifying and implementing opportunities for improved water management. We maintain close oversight of our water performance and actively encourage responsible consumption practices, with a focus on minimizing withdrawals and maximizing water recovery. Through these initiatives, we mitigate operational risks associated with water use and demonstrate our commitment to environmental stewardship—an aspect increasingly valued by customers, investors, and regulatory bodies. Additionally, we have initiated a project for watershed development. These initiatives aim to enhance the resilience of rural communities facing critical water scarcity challenges, particularly in drought-prone areas. We have also set a target to be water-positive by 2030.
Target 	Reduce water consumption by 10% by 2025 compared to baseline year of 2020
Target Year 	2025
Progress 	Reduction of 25% in water consumption by the reporting year compared to baseline year of 2020
Executive Compensation Linked 	Our Senior Management including the EHS team has performance linked incentive as one of the components of their overall compensation

Double Materiality and Impact on Society

The following two topics have the potential to significantly impact society and other stakeholders. Accordingly, we are actively monitoring their performance and relevant parameters through KPI tracking to assess their societal impact. Our objective is to minimize any adverse effects while maximizing positive value creation for all stakeholders through continuous improvement efforts.

Indicator	Material Issue 1
Material Issue	Environmental Impact Management
Cause of the impact	Operations and Supply Chain
External stakeholder(s)/ impact area(s) evaluated	Operations, Environment, Society and External Employees
Topic relevance on external stakeholders	Greenhouse gas (GHG) emissions from our direct operations contribute to global warming. Failure to effectively reduce these GHG emissions may lead to rising mean surface temperatures, triggering widespread systemic social impacts such as sea level rise, extreme weather events, coral bleaching, climate-induced migration, social inequality, and threats to food security. These consequences can disrupt our operations and supply chains. In light of increasing expectations around corporate responsibility in addressing climate change, ineffective GHG management may also expose the business to regulatory scrutiny, reputational risks, and misalignment with customer expectations. To address these challenges, we are actively working to reduce GHG emissions through fuel switching from non-renewable to renewable, adoption of renewable energy, implementation of energy efficiency measures, and deployment of advanced technological solutions for minimization of energy use and promote clean energy. Our commitment to global climate action is reflected in our decarbonization goal, supported by a comprehensive strategy and roadmap for carbon reduction.
Type of impact	Positive and Negative
Output Metric	Avoided CO_2 Emissions
Impact Valuation	Improved air quality from avoiding combustion of fossil fuels
Impact Metric	Social Cost of Carbon

Indicator	Material Issue 2
Material Issue	Innovation Management
Cause of the impact	Operations and Products/Services
External stakeholder(s)/ impact area(s) evaluated	Operations, Environment, Society and External Employees
Topic relevance on external stakeholders	Our investments in innovation within the specialty business drive advancements in medical research, leading to the development of new and more effective medications. These efforts contribute to improved public health, extended life expectancy, and enhanced quality of life by addressing previously unmet medical needs. Similarly, innovation in our generics pipeline expands access to high-quality, affordable medications for broader populations. This is specially impactful in both developed and developing nations, where high treatment costs can be a barrier to basic healthcare, thereby helping reduce disease burden and improve public health outcomes. In addition, targeted investments in process innovation have led to more efficient manufacturing practices. These include reduced production costs, optimized material usage, improved resource efficiency, minimal waste generation, enhanced resource recovery, faster production timelines, and strengthened quality control
Type of impact	Positive
Output Metric	Enhanced access to healthcare and medicines globally
Impact Valuation	Improved health and quality of life of patients
Impact Metric	Number of patients reached globally

Product Quality and Accessibility

Ensuring access to safe, effective, and affordable medicines is essential for achieving universal health coverage. We deliver high-quality medications to patients and healthcare providers across approximately 100 countries. Guided by our vision, "Reaching People, Touching Lives," we strive to broaden our product reach and presence, serving global markets, urban centers, towns, and rural areas. With the support of our strong distribution network, featuring carrying and forwarding agents (CNFs), distributors, stockists, and wholesalers, we ensure comprehensive accessibility and availability of medical products for those in need worldwide.

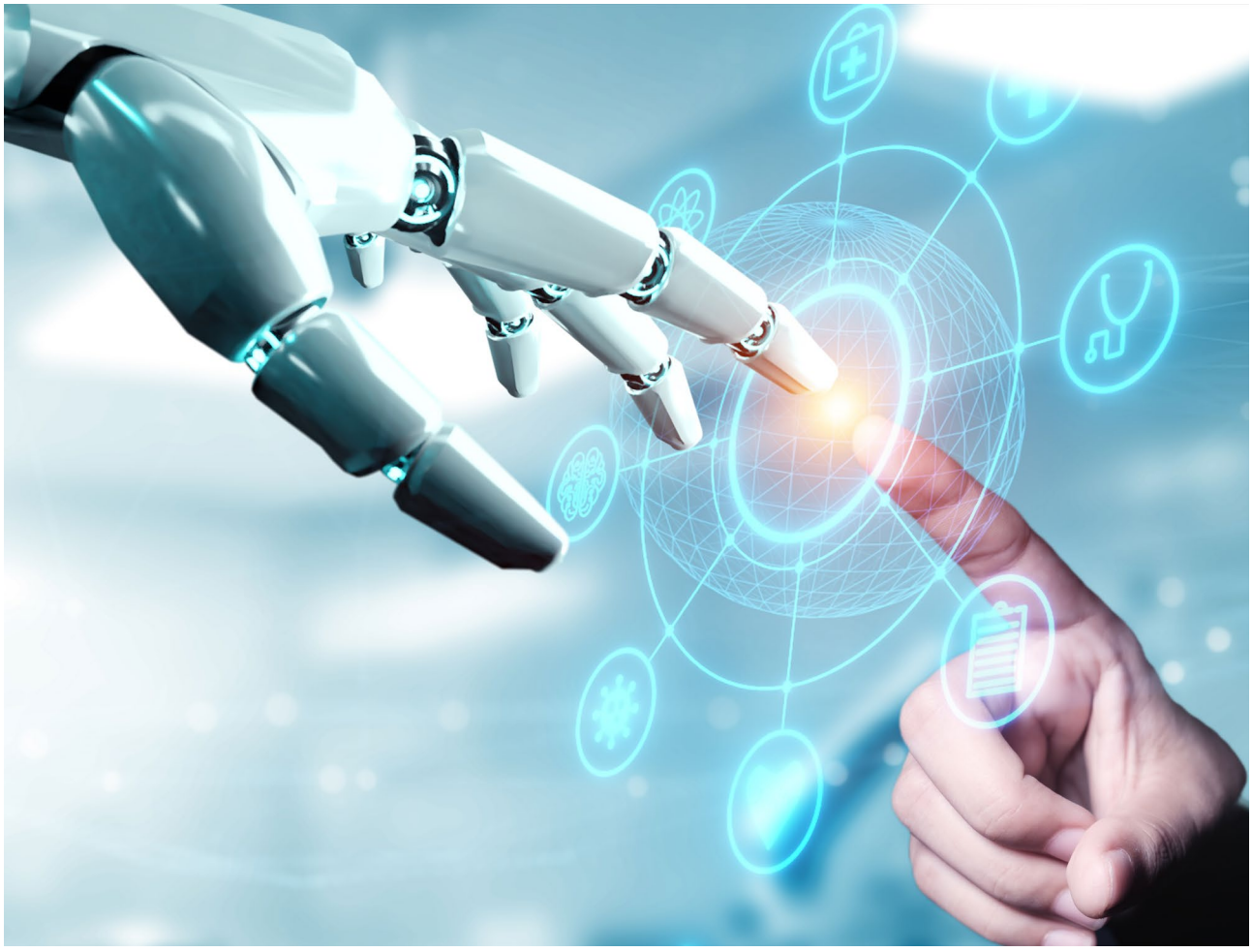
Our global team of over 51,000 individuals (including executives on contract) across 42 manufacturing sites, is crucial in offering high-quality generic and branded medicines. Our dedication to improving healthcare access is driven by our Research and Development (R&D) efforts, with 2,900+ personnel and R&D investments accounting for 6.2% of our sales in FY 2024-25.

Product Innovation and Healthcare Clinical Pipeline

At Sun Pharma, we offer an extensive range of products across multiple therapeutic areas segments such as neuropsychiatry, cardiology, diabetes, gastroenterology, pain management, gynecology, ophthalmology, urology, dermatology, respiratory, anti-infectives, and more. Our continuous endeavor is to develop and commercialize a robust product portfolio supported by increasing investments in innovation and technology. This strategy bolsters our efforts to address unmet patient needs and enhance product availability and accessibility worldwide. Our current R&D pipeline does not include any product which is considered to have a "novel mechanism of action" or which is considered as "first-in-class" in the scientific community. None of our filings have received USFDA Priority Review/EMA Accelerated Assessment.

The table below outlines details of our innovation projects across each phase of the healthcare innovation process.

Innovation Phase	Number of Projects
Pre-clinical development	11
Clinical trials/pathway to approval (Total of Phase I, II & III Trials)	5
Clinical trials: Phase I	1
Clinical trials: Phase II	2
Clinical trials: Phase III	2
Launch	2
Total	**19**

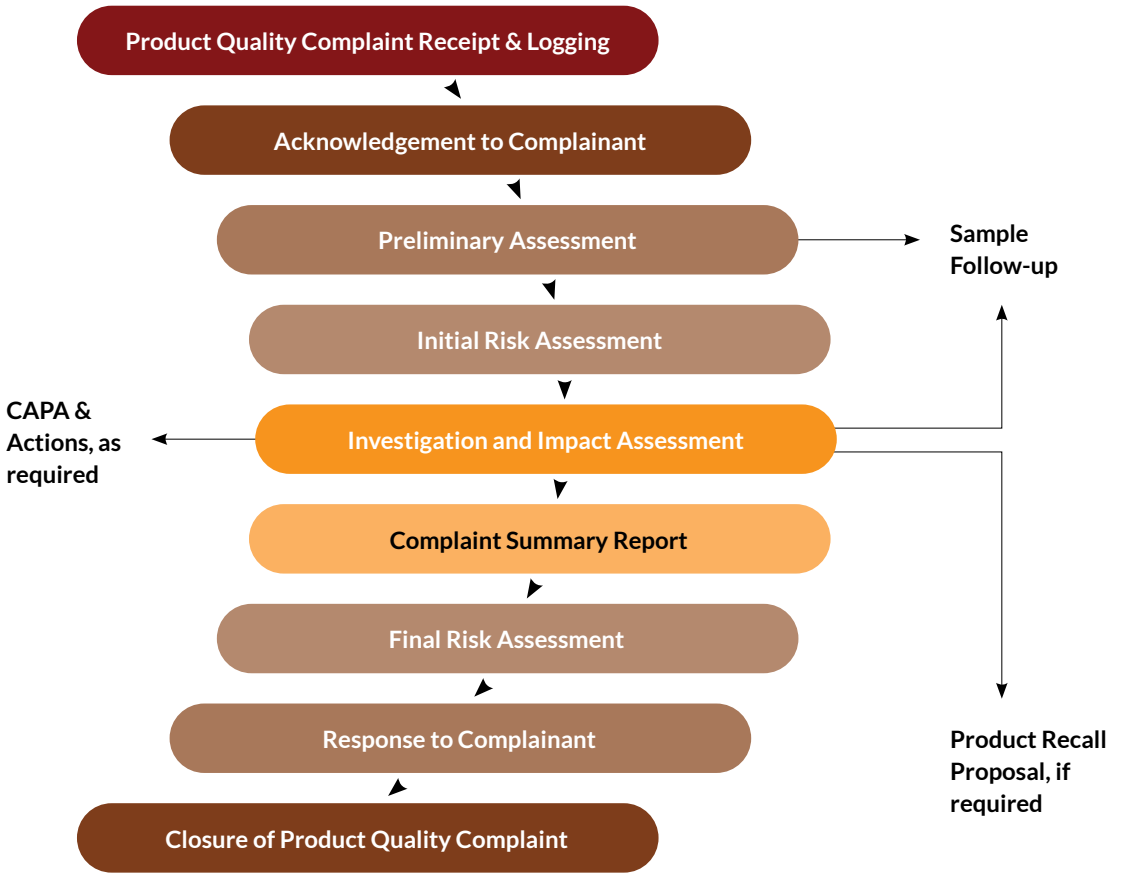


Patient Safety and Product Quality

We employ stringent review and quality control processes to ensure regulatory compliance and uphold the highest product quality standards. Promptly identifying and addressing health and safety risks associated with our products is vital for enhancing product quality, ensuring patient safety, and sustaining long-term trust among our stakeholders.[12] Failure to comply can lead to warnings and penalties from regulatory bodies, potentially diminishing our brand value and stakeholder perception. To continuously assess the risk-benefit profile of our products, we strive to meet all quality and regulatory standards and closely oversee product safety.[13]

Process of Redressal of Product Quality-related Complaints

We have outlined a strong nine step robust process for receiving and addressing any complaints concerning product quality:



[12]GRI 3-3
[13]GRI 416-1

Product Recalls

	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Number of Class-I Recalls	2	1	0	0
Total value of recalled products. (in USD Mn)	0.62	0.53	-	-

	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Number of Class-II Recalls	20	33	20	20
Total value of recalled products. (in USD Mn)	4.23	0.69	0.22	1.46

In the reporting year our manufacturing facilities underwent 50 regulatory inspections conducted by regulatory agencies like USFDA, UK MHRA, EMA, PMDA and others. The USFDA conducted 2 inspections at our manufacturing facilities resulting in 4 Form-483 observations.

Product Quality Programs

At Sun Pharma, we have various programs/initiatives in place to ensure quality of the products. These include:

(A) Processes to prevent or address defective products before delivering them to customers to avoid product recalls

We have processes to prevent or address defective products before delivering them to customers to avoid product recalls. Sun Pharma's Global Quality Assurance protocol consist of:

1. Comprehensive Quality Management System including change management, deviation, and investigation management, Corrective Actions & Preventive Actions (CAPA), adverse events management, field alert reporting, complaint management, and recall process
2. Compliance with Good Practices (GxP) and country-specific regulations
3. Periodic inspections by regulatory agencies at manufacturing sites ensure compliance with Good Manufacturing Practices (cGMP) certification requirements
4. Input and packaging materials are released for use only after completion of qualification, testing and approval by Quality unit. Materials not meeting specifications are rejected as per established procedures.
5. Ensuring product quality through in-process testing, finished goods testing, and stability testing
6. Stringent compliance is ensured with specifications relevant to each market/ geographical requirement
7. Prevention of recurring deviations, failures, and discrepancies by recording, of investigation in the QMS
8. Periodic audits conducted by the Company's internal Corporate Quality Team at all manufacturing facilities, contract manufacturing sites and vendor locations.
9. Training of employees involved in GxP activities through modules curated for job-specific roles

(B) Internal audits of the quality management system

We have established a structured internal audit program as part of our Global Quality Management System (QMS), where site-level and corporate audits—based on Six Quality Systems and GMP principles—are conducted to identify gaps, implement Corrective Actions & Preventive Actions (CAPA), drive continuous improvement and ensure regulatory compliance.

(C) Independent external verification of the quality management system

Many of our manufacturing facilities are certified under ISO 14001 and ISO 45001 standards. Our Quality Management System (QMS) is also independently verified through regular inspections by global regulatory authorities—including USFDA, EMA, UK MHRA, PMDA Japan, Health Canada, TGA Australia, and CDSCO India—ensuring compliance with current Good Manufacturing Practices (cGMP) and international quality standards.

(D) Training for internal stakeholders on their roles related to the quality management system

To ensures effective implementation of the Quality Management System, we have designed and implemented a structured training program for internal stakeholders that covers job-specific modules, GxP compliance, pharmacovigilance, and auditor qualification courses delivered via instructor-led sessions and e-learning platforms, with content regularly updated to reflect evolving regulatory quality standards and internal audit insights.

(E) Mechanisms in place for external stakeholders to submit complaints about defective products

External stakeholders can report product quality complaints through multiple channels, including an online Product Quality Complaint Form on our official website at the link (https://sunpharma.com/product-quality-complaint-form/), third-party complaint service providers in select markets, and monitored social media platforms, ensuring timely intake, assessment, and resolution of product-related concerns.

Patient Cycle of Care – Health Outcome

Sun Pharma has a health program titled "Making India Heart Strong" through which the company addresses the complete cycle of care – Prevention, Diagnosis, Treatment and End-to-End Cycle Solutions – for cardiovascular and diabetes segments.

(A) Prevention

The company has multiple programs to create awareness amongst the general population about cardiovascular disease and diabetes. These include:

1. Through a dedicated website (https://makingindiaheartstrong.com/) the company creates awareness about (1) Heart Health, (2) Risk Factors, (3) Importance of regular health check-ups and screening, (4) Healthy Diet, (5) Health Blogs, (6) Social Media awareness, etc
2. We run in-clinic patient awareness programs for creating awareness and prevention
3. We also run print media patient awareness programs for creating awareness and prevention

For the year under consideration, the program reached 99.3 million people and the target for next year is 116 million people.

(B) Diagnosis

Under the "Making India Heart Strong" program, the company organizes disease detection camps, high risk cardiovascular screening and also measures key disease markers for diagnosis. For the year under consideration, the program reached 0.18 million people and the target for next year is 0.18 million people.

(C) Treatment

Our "Making India Heart Strong" program treatment protocol includes medications, adherence and rehabilitation of patients diagnosed with cardiovascular/diabetes. For the year under consideration, the program reached 70,000 patients and the target for next year is 70,000 patients.

(D) End-to-End Cycle Solutions

The company's "Making India Heart Strong" program offers a complete End-to-End Cycle Solution including Prevention, Diagnosis, Treatment and Lifestyle Interventions for the benefit of patients. For the year under consideration, the program reached 99.5 million people/patients and the target for next year is 117 million people/patients.

Accessibility & Transparency of Research

The company provides access to its research data to maximize its value for societal healthcare including (1) Outcomes from clinical research, (2) Outcomes from post-launch studies including real-world data analysis, (3) Anonymized patient-level data for researchers or healthcare providers, (4) Cost effectiveness analysis and pharmaeconomic/health economics data, (5) Demographic breakdown of clinical research participants.

Ethical Marketing Commitment

The company has a publicly available commitment to ethical marketing, advertising and sales practices for its products and services.

Commitment to provide accurate and balanced information about the products/services

At Sun Pharma, we are committed to providing accurate and balanced information about our products and services which is guided by a robust policy framework, internal guidelines and processes to ensure that all promotional material shared with healthcare professionals, customers, or patients are fair, balanced, reliable and compliant with applicable laws and regulations. Our Global Code of Conduct available on our website at the link (https://sunpharma.com/wp-content/uploads/2025/09/Sun-Pharma-Global-Code-of-Conduct-1-April-2025.pdf) states that all promotional contents for our products must be accurate, scientifically sound, objective, reflective of the current state of knowledge and consistent with the prescribing information as approved by local regulatory authorities. In addition, we adhere to local regulations and industry guidance in the countries in which we operate. For example, in India, we adhere to the provisions of the Uniform Code for Pharmaceutical Marketing Practices (UCPMP 2024) that governs the interaction between the pharmaceutical industry and healthcare practitioners ensuring ethical, transparent, and accountable practices. It aims to prevent unethical practices, promote patient safety, and foster fair competition. Sun Pharma's self-declaration regarding compliance to UCPMP 2024 is publicly available document and can be accessed via the link (https://www.ipa-india.org/sites/default/files/2025-08/Sun-Pharma-UCPMP-Self-Declaration-FY2526_0.pdf). Similarly, in the US, we have established a robust healthcare compliance framework to ensure adherence to the laws, regulations and requirements applicable to our business activities. The purpose of our Comprehensive Compliance Program (the "Compliance Program") is to advance compliance with the laws, regulations, and industry guidance that govern our interactions with healthcare professionals and healthcare institutions as well as communications about our products. The Compliance Program has been developed in accordance with the principles set forth in the U.S. Department of Health and Human Services Office of Inspector General (OIG) Compliance Program Guidance for Pharmaceutical Manufacturers dated May 5, 2003 (the "OIG Compliance Guidance") and the standards set forth in the Pharmaceutical Research and Manufacturers of America Code on Interactions with Healthcare Professionals (the "PhRMA Code"), as well as other relevant industry guidance. The details of this program can be accessed on our website via the link (https://sunpharma.com/usa/wp-content/uploads/sites/2/2025/09/Outline-of-US-Comprehensive-Compliance-Program-July-1-2025.pdf).

Commitment to provide information about the products/services that is not misleading

The company is committed to ensuring that all communications about its products and services are accurate, not misleading, and aligned with approved labelling and regulatory information. This commitment is embedded in the Global Code of Conduct available on our website) at the link (https://sunpharma.com/wp-content/uploads/2025/09/Sun-Pharma-Global-Code-of-Conduct-1-April-2025.pdf) which includes the guidance on interactions with healthcare professionals, mandating that promotional content be scientifically sound, objective, and ethically presented, reflecting the current state of knowledge and fostering fair and honest engagement with all stakeholders.

Ensure ethical interactions with patient groups and/or healthcare professionals

We ensure ethical interactions with healthcare professionals and patient groups through robust policies such as the Global Code of Conduct and the US Comprehensive Compliance Program, supported by dedicated compliance teams across the globe. The Company's engagement with patient groups is to understand their perspectives and provide them with appropriate support including patient education materials to promote awareness and compliance with treatment. The Company's Responsible Product Stewardship program focuses on raising awareness about counterfeit medicines and implementing measures to combat them, further emphasizing patient safety.

Report transparently regarding contributions to healthcare professionals

At Sun Pharma, we engage with healthcare professionals (HCPs) as consultants, speakers, advisors, or investigators under clearly defined conditions, ensuring that compensation is at fair market value and proportionate to the services rendered. All contributions or transfers of value to HCPs are disclosed in compliance with applicable laws, regulations, and industry codes, reinforcing transparency and accountability in all interactions.

Involvement with patient organizations is transparent, ethical and maintains the organization's independence

We engage with patient organizations in a transparent, ethical, and respectful manner, ensuring their independence is upheld at all times. These interactions are governed by the Company's Global Code of Conduct, which prohibits, among other things, any activities that may harm national interests or adversely impact the social and cultural fabric of society. Through this framework, the Company reinforces its commitment to responsible healthcare leadership and community engagement.

Provision for approval of promotional materials before use

Prior to dissemination, we ensure that all promotional materials undergo a rigorous internal review and approval process subject to standard operating procedures and applicable regulations governing advertising and promotion. In line with our commitment to ethical marketing and regulatory compliance, the review process for promotional materials is governed by the Company's Global Code of Conduct which emphasizes responsible communication and prohibits any activity that compromises the integrity of the communications. The company's Global Code of Conduct also requires that all promotional content must be accurate, scientifically sound, objective, reflective of the current state of knowledge and consistent with prescribing information as approved by local regulatory authorities. Through these measures, the Company maintains transparency, integrity, and accountability in all promotional practices.

Provision for approval of non-promotional materials before use

Sun Pharma is committed to providing accurate and truthful information about its products and services which includes both promotional and non-promotional materials. The Company maintains a robust internal process to ensure that all non-promotional materials intended for external use are reviewed and approved prior to dissemination. These practices are embedded within the Global Code of Conduct and Supplier and Third Party Code of Conduct ensuring ethical and compliant operations. The company focuses on quality, sustainability, and transparency in all aspects of its business, including the development and distribution of non-promotional materials.

Direct-to-Consumer Marketing Commitment

Our direct-to-consumer marketing commitment covers the following:

Clearly stating the heath conditions for which the medicine is approved

Sun Pharma ensures that all public communications, including direct-to-consumer communications, clearly and accurately state the specific health conditions for which each medicine is approved as well as the comprehensive safety information. This practice is guided by foundational laws and regulatory standards, and is embedded in the Company's Global Code of Conduct to promote ethical marketing and informed decision-making by patients. Through these measures, the Company reinforces its commitment to transparency, truthfulness, and responsible healthcare communication.

Providing a fair balance between benefit and risk information of the medication

We are committed to presenting a fair and balanced view of our medications by clearly disclosing both their therapeutic benefits and associated risks, including side effects, warnings, precautions, and contraindications, as per approved product labelling and prescribing information. This approach is reinforced through regulatory filings, industry codes such as Advertising Standards Council of India (ASCI). By embedding these practices within our compliance framework, we ensure transparency and support informed decision-making for patients and healthcare professionals.

Provisions to review and monitor activities, content, and materials on social media and digital channels to ensure compliance with relevant codes and applicable laws

At Sun Pharma we have established a robust internal process to review and approve all promotional content, including materials shared via social media and digital platforms, prior to publication. This process involves qualified personnel from medical, legal, regulatory and compliance teams to ensure that all communications are accurate, scientifically sound, and aligned with approved prescribing information and applicable regulatory standards. Additionally, the Company mandates self-declaration certificates for all advertisements, including digital media, as part of its commitment to steer clear of misleading claims and maintain compliance with relevant laws and industry codes.

Ethical Marketing Performance

In the reporting year, there were no non-compliance incidents reported concerning product and service information and labelling and marketing communications. Additionally, there was no monetary losses as a result of legal proceedings associated with false marketing claims. This has also undergone assurance via a third-party external assurance provider.

Enhancing Access to Healthcare

As a leading pharmaceutical company, expanding global access to healthcare remains a key priority for us. To support this mission, we have launched several impactful initiatives:

1. **Community Outreach:** Through our corporate social responsibility programs, we provide essential medicines and healthcare services to patients in villages near our operational sites. Our mobile medical units deliver free treatments and consultations.

2. **Affordable Access in LMICs:** We supply Anti-HIV products to Low & Middle Income Countries (LMICs) through our WHO approved facilities to facilitate access to life-saving medicines. These products are supplied to agencies like United Nations Development Program (UNDP), United Nations Office for Project Services (UNOPS), Pan American Health Organization (PAHO), The Global Fund, etc. We also supply a product used in treatment of Tuberculosis to The Stop TB Partnership's Global Drug Facility (a United Nations program). We have also partnered with MSD under a voluntary licensing agreement to manufacture and distribute a generic version of molnupiravir across more than 100 low and middle-income countries, including India.

3. **Innovative and Affordable Treatments:** At Sun Pharma, it has always been our endeavour to introduce innovative medicines that help improve the quality of life of patients. For the year under consideration, Sun Pharma has commercialized innovative medicines in India to facilitate patient access to Innovative Products. These include (1) Vonoprazan tablets 10 mg, 20 mg used to treat reflux esophagitis and other acid peptic disorders, (2) Tedizolid Phosphate tablets 200 mg used to treat Acute Bacterial Skin and Skin Structure Infection. Our R&D team is dedicated to developing effective and affordable therapies. We continually invest in a diverse portfolio of generics, branded generics, and specialty products to meet the needs of patients worldwide. In the reporting year, for our US product portfolio, the weighted average YoY change in list price was 0.75% and the weighted average YoY change in net price was -1.86%.

   Till date, Sun Pharma has commercialized 26 new innovative products globally. For the year under consideration, our innovative R&D pipeline includes 7 products undergoing clinical trials.

4. **Patient Support Programs:** To make our products more accessible, we offer patient assistance initiatives, reimbursement support, and cost-saving programs for select treatments.

5. **Research for Neglected Diseases:** We actively pursue research into new therapies for neglected tropical diseases such as Zika, Chikungunya, and Dengue.

6. **Access to low-cost products:** At Sun Pharma, we have always endeavored to improve access of our products for patients globally. We also provide low-cost access to the organization's products to address diseases/conditions.

Local Capacity Building

Sl. No.	Type of Activity	Description of Local Capacity Improvement Initiatives
1.	**Other, please specify:** Mobile Healthcare Units (MHUs) to provide primary health services and generate awareness amongst underserved rural communities	**Issues addressed:** Access to healthcare is constrained by systemic issues, last mile bottlenecks and household level constraints that include - non-availability of healthcare facilities, lack of financial means and lack of awareness. **Scope:** Sun Pharma operates 13 MHUs that provide health services to villages near its plants. MHU is health care ambulance with a doctor, auxiliary nurse midwife, medicine, and physical examination infrastructure. MHUs visit villages as per timetable and provide curative, promotive, and preventive health care. **Impact/benefit:** Primary healthcare services and awareness generation to underserved rural and urban slums in proximity to Sun Pharma plants and facilities, reduction in infant & maternal mortality and improve health status of adolescent girls, Prevention & control of communicable diseases (diarrhoea, pneumonia, malaria, tuberculosis and non-communicable/other prevalent diseases). **Duration:** Ongoing
2.	**Financing:** Healthcare Infrastructure	**Issues Addressed:** Innovative healthcare technology helps clinicians to improve their practice by providing better diagnosis, surgical procedures, and improved patient care. **Scope:** We are upgrading healthcare facilities in underserved regions by enhancing infrastructure, improving WASH amenities, and equipping centers with advanced medical technology. This includes PHCs, CHCs, Health and Wellness Centres, and District Hospitals. Sun Pharma supports these efforts by making cutting-edge healthcare solutions accessible to those with limited means, ensuring quality care reaches those who need it most. **Impact/Benefits:** In FY 2024-25, we provided the following support – 1. Support towards setting-up of Cancer Sanitorium Institute. 2. Infrastructural development for setting up a eye care facility equipped with advanced technology and equipment to provide comprehensive eye care treatments and services 3. Provide critical medical equipment to health facilities and manage select primary health centres. 4. TB and Leprosy Patients given Nutrition Support provided to 1,320 beneficiaries 5. 1,200 Patients benefited through from local dispensary maintenance at Toansa 6. 1,26,209 beneficiaries accessed healthcare programs **Duration:** Ongoing

Sl. No.	Type of Activity	Description of Local Capacity Improvement Initiatives
3.	**Provider Education:** National Consultation on Medication and Patient Safety	**Issue addressed:** Through National Consultation on Medication and Patient Safety we aim to raise awareness across the healthcare ecosystem and foster collaborative dialogue among policymakers, clinical pharmacologists, and healthcare providers to identify actionable solutions for enhancing medication safety and patient care. **Scope:** With the goal of enhancing medication safety and patient care, we convened nursing staff, medical professionals, patients, and caregivers for a collaborative, solution-oriented dialogue on Medication and Patient Safety. This initiative marked a significant step forward in addressing critical challenges within the healthcare system. The primary objective was to raise awareness about the importance of medication and patient safety across the healthcare ecosystem, while also engaging policymakers, clinical pharmacologists, and healthcare providers in meaningful discussions aimed at developing practical and impactful solutions. **Impact/Benefits:** The session delivered by medical professionals had a profound impact on enhancing healthcare practices. Experts shared valuable insights on improving medication practices, emphasizing the critical roles of pharmacists and nursing staff in ensuring patient safety and effective chronic disease management. The importance of patient education—covering medication purpose, dosage, side effects, and potential drug interactions—was strongly highlighted, empowering patients to take an active role in their treatment. The session also underscored the vital role of caregivers in supporting treatment adherence and monitoring patient progress. A dynamic panel discussion brought real-world experiences to the forefront, offering practical strategies to overcome medication-related challenges and improve health outcomes. **Duration:** Short Term/Completed

Sl. No.	Type of Activity	Description of Local Capacity Improvement Initiatives
4.	**Patient Education:** Preventive Healthcare Campaigns	**Issues addressed:** Raising awareness is a crucial first step in promoting better health outcomes. Through our Preventive Healthcare Campaigns, we actively engage with communities to address key health challenges such as poor hygiene, inadequate nutrition, and the lack of early disease detection. By sharing vital information and practical guidance, these initiatives empower individuals to make informed decisions and take proactive steps toward managing their health effectively. **Scope:** The Preventive Healthcare Campaigns aim to actively engage and empower individuals and communities through a comprehensive approach that combines public awareness with practical training. A key focus of the initiative is to improve survival rates following sudden cardiac arrests (SCA) by providing hands-on cardiopulmonary resuscitation (CPR) training to bystanders, enabling timely and effective emergency response. In parallel, the campaigns seek to raise awareness about non-communicable diseases (NCDs), with particular emphasis on oral, breast, and cervical cancers. By increasing screening coverage among eligible women—especially in vulnerable and underserved communities—the program strives to promote early detection and intervention, ultimately contributing to better health outcomes and reduced disease burden. **Impact/Benefit:** In FY 2024–25, the Preventive Healthcare Campaigns made a significant impact on community well-being. Over 50,000 individuals were trained in life-saving cardiopulmonary resuscitation (CPR), equipping them with critical skills to respond to emergencies. Additionally, 354 women were screened for breast and cervical cancer through dedicated screening camps. Of those screened, 46 women showed positive signs and were referred for further diagnosis, with follow-up care actively underway. **Duration:** Ongoing
5.	**Other, please specify:** Eye Health Screening Project for students to establish a mechanism to for timely identification and treatment of visual impairments and generate awareness amongst teachers, parents and students about eye health	**Issues Addressed:** Providing quality eye care services for children residing in remote areas with an aim to establish a preventive mechanism to ensure timely identification and treatment of visual impairments. **Scope:** The School Eye Health Screening Project aims to establish a preventive mechanism to ensure timely identification and treatment of visual impairments among children. The primary focus is to raise awareness on the signs of visual impairments along with detecting refractive errors, Enlighten teachers, parents and students about eye health and dispel myths surrounding spectacles, Improve academic performance by ensuring clear vision and better classroom participation, developing a sustainable model for regular eye screening and testing in schools and ultimately enhancing academic performance and school attendance. **Impact/Benefits:** For FY 2024-25, 17,095 patients were screened, 3,992 Optometrist Examined and 1,829 Corrective Glasses Provided. **Duration:** Ongoing

Innovation and Technology

Through strategic investments in state-of-the art technologies, we are furthering our mission to enhance global access to high-quality medications. Our dedication to maintaining rigorous global safety standards is essential as we consistently improve the quality of our varied product range.[14]

Information Security Governance

At Sun Pharma, we maintain a robust governance framework to oversee information security issues, risks and resilience. Our Board level Risk Management Committee oversees the information security governance procedures and practices. Additionally, one of our Board Members, Mr. Sudhir V. Valia, who is also part of our Risk Management Committee constituted by the Board, has past experience in the implementation of Information technology management systems in the Company. We also have designated a Chief Information Security Officer (CISO) who holds direct responsibility for overseeing all cybersecurity matters throughout our operations.

Information Security Policy

We have an Information Security Policy which provides management direction and support to the company on implementing and maintaining standards for protecting our information systems.

Continuously improving information security systems

The Information Security Policy emphasizes on continuous improvement of our security management systems to proactively address evolving risks through assessing and enhancing controls in a dynamic threat landscape.

Ensuring integrity and protection of data

The policy also mandates robust controls to ensure the integrity and protection of confidential and personal data. All data handling activities like collection, storage, transmission, and usage are governed by strict compliance with internal policies and applicable legal and regulatory frameworks.

Monitoring and responding to information security threats

The policy also specifies on establishing and maintaining approach to monitor, identify, and respond to security threats in a timely and effective manner along with ensuring that all stakeholders including employees, contractors, and third-party users are aware of the reporting and escalation processes to safeguard the organization's information assets.

Establishing individual responsibilities for information security for the entire workforce

We recognize that every employee plays a vital role in protecting the organization's information assets. All our employees are responsible for ensuring information security of the company's assets. The policy mandates that the company and its subsidiaries should ensure that its employees and external providers comply with the applicable sections of the Information Security Policy and its associated standards as well as applicable Legal & Regulatory requirements. It is the responsibility of each Business Head to ensure compliance with the Information Security Policy. By fostering a culture of shared responsibility from reporting suspicious activities to consistently following security protocols, we encourage employees to report through a dedicated email ID. Regular communication through mailers and banners is also undertaken to ensure employees are aware of information security impacts and channels to report any concerns.

Establishing information security requirements for third parties

The policy also establishes clear requirements for third-party access to information assets, ensuring that suppliers and other value chain partners adhere to controlled and monitored processes governed by regular reviews and access controls that helps maintain data security and minimize external risks.

[14]GRI 3-3

Information Security Management Programs

Information security-related business continuity plans

Through our information security business continuity planning, we ensure the resilience of critical information security operations during adverse events. By adhering to documented procedures, implementing coordinated controls, and conducting regular validation exercises, we maintain the continuity and effectiveness of our information security practices across the business functions. As per our Information Security Aspects of Business Continuity Management Program, each of our businesses and operations is required to determine its requirement for information security and the continuity of information security management in adverse situations e.g. during a crisis or disaster. Each business in coordination with Information Security Team should establish, document, implement and maintain processes, procedures and controls to ensure the required level of continuity for Information security during an adverse situation.

Internal audits of the IT infrastructure and/or information security management systems

We conduct internal audits of our IT infrastructure and security systems to ensure compliance with the company's Information Security Policy. These audits, help assess operational integrity, identify potential risks, and reinforce adherence to established security standards across the organization. Additionally, we are in the process of achieving ISO 27001:2022 certification.

Information security vulnerability analysis

To further strengthen our cybersecurity framework, we also conduct third-party vulnerability assessments and simulated cyberattack exercises. These proactive measures help validate the robustness of our existing processes and enhance our ability to detect, respond to, and recover from potential threats.

Information security awareness training & Escalation process for employees

Employees are provided training on our information security practices & processes, relevant standards and guidelines covering topics like escalation process for employees to report on incidents, vulnerabilities or suspicious activities. Ongoing awareness initiatives are also undertaken at regular intervals including mailers and visual banners to reinforce the importance of information security and ensure employees are informed about available reporting channels.

In FY 2024-25, there have been zero instances of information security breaches.[15]

Privacy Protection

Our Privacy Policy demonstrates a commitment to data protection, in alignment with internationally recognized standards and regulations. It specifies the types of personal information collected and the purposes for which it is used, ensuring individuals are well-informed. The Corporate Legal department is the designated authority for addressing any privacy-related concerns. Additionally, a dedicated Grievance Officer has been appointed to handle complaints related to personal data. Cyber Security and Data Privacy considerations are also embedded within our Enterprise Risk Management (ERM) Framework. To safeguard customer and employee data from external threats, we have implemented risk mitigation measures such as patch management, antivirus solutions, IT monitoring systems, and perimeter security. Furthermore, our Global Code of Conduct (GCOC) includes a section on privacy policy. In the event of a breach, and subject to applicable legal provisions, appropriate disciplinary actions may be taken as outlined in the GCOC.

Additionally, our Privacy Policy clearly outlines the nature of the information that is collected, received, stored, transmitted, or processed. It also specifies that the collected information is used for legitimate business purposes. These include enabling visitors to our website(s), mobile application(s), or other digital platforms to download information and products, utilize features, access interactive services, provide feedback, or be contacted regarding services offered. It also covers processing orders or applications submitted by visitors, among other purposes. Further details can be found under the "Purposes for Information Collection and Processing" section of our Privacy Policy.

The policy also empowers customers with control over how their personal data is collected, used, retained, and processed. It provides rights such as the Right to Opt-Out, Consent for Opting-In, Right to Access, Right to Data Portability, Right to Correction, and Right to Erasure. Moreover, the policy clearly states that Sensitive Personal Data or Information (SPDI) shall not be retained longer than necessary for the purposes for which it was lawfully collected, or as required under applicable laws. To safeguard this information, we have implemented and maintained appropriate technical, administrative, and physical measures in accordance with IS/ISO/IEC standards and/or approved codes of best practices for data protection. Additionally, the policy addresses third-party disclosures under the "Information Sharing and Disclosure" section. It states that the company shall not use or disclose information for purposes other than those specified in the policy, except with the individual's consent or as required by law. Our detailed Privacy policy can be accessed at the link below: https://sunpharma.com/privacy-policy-new/

[15]GRI 418-1

Realising Environmental Excellence

Safeguarding the environment is central to our operations and serves as a key strategic focus and vital component of our commitment to sustainable development. We consistently integrate environmentally responsible practices into our operations, recognizing our duty to minimize negative impacts.

As part of our commitment to climate action, we have implemented a range of carbon and energy initiatives aimed at effectively managing our greenhouse gas (GHG) emissions. Our near-term goal is to achieve a 35% reduction in Scope 1 and Scope 2 carbon emissions by 2030, against the baseline year of 2020. Looking ahead, we are aligned with the global ambition to reach net zero emissions by 2050, reinforcing our long-term dedication to sustainable growth and environmental stewardship.

Our ESG Focus Areas	FY 2024-25 Targets	Long-term targets	Performance Against Long Term Targets
Energy efficiency and carbon emissions	Scope 1 emissions – 76,531 tCO2e Scope 2 emissions – 287,443 tCO2e Scope 1+2 emissions- 363,974 tCO2e Non-renewable energy consumption – 729,913 MWh	Reduce absolute carbon emissions (Scope 1 and Scope 2) by 35% by 2030 (baseline year of 2020)	~21% reduction in absolute Scope 1 and Scope 2 emissions by FY 2024-25 from baseline year 2020
Water management	Total Net Fresh Water Consumption 2.62 Million cubic meters	Reduce water consumption by 10% by 2025 (baseline year of 2020)	25% reduction in water consumption by FY 2024-25 from baseline year of 2020
Managing waste	Total non-hazardous waste disposal 889 MT Total hazardous waste disposal - 15,584 MT	Co-processing of 30% hazardous waste by 2025	Co-processed 27% of hazardous waste in FY 2024-25

Environmental Governance

We have established a robust environmental governance framework, that includes an extensive Environment, Health, and Safety (EHS) policy, along with clearly outlined EHS and Energy Management Systems. These tools assist us in achieving our set environmental targets. By providing structure and guidance, these frameworks facilitate progress and growth in successfully accomplishing our environmentally conscious goals of managing water usage, greenhouse gas emissions, and waste generation.

Our EHS Management System complies with ISO 14001:2015 standards. In the fiscal year 2024-25, 18 sites (47%) achieved certification under ISO 14001:2015. Additionally, 7 sites (18%) obtained third-party certification, and all our sites have been internally audited for their EHS management systems.

We consistently endeavour to meet all regulatory obligations at local, state, and national levels, aiming to identify and reduce any actual or potential risks associated with non-compliance. In the FY 2024-25, there were zero environmental non-compliance issues.

Environmental Violations

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Number of violations of legal obligations/ regulations related to environment	0	1	0	0
Amount of fines/penalties related to the above (in INR)	0	50,00,000	0	0
Environmental liability accrued at year end (in INR)	0	0	0	0

Efficient Energy Management

At Sun Pharma, we remain committed to continuously enhancing our energy performance and conserving energy across all our operations. We monitor energy consumption at both equipment and plant levels through internal/external energy audits. Regular benchmarking and energy gap assessments enable us to identify and implement effective energy conservation projects. These efforts have significantly contributed to reducing carbon emissions and advancing our organization's decarbonization goals.

To reinforce this commitment, we have adopted the ISO 50001:2018 Energy Management System across 6 manufacturing sites. Additionally, training and awareness sessions are conducted for key energy stakeholders across our locations, aimed at enhancing understanding and adoption of energy conservation practices. To reduce overall energy demand and promote clean energy usage, we follow a three-pronged strategy: monitor, minimize, and decarbonize. Since our energy demand and fossil fuel-based energy consumption are closely tied to greenhouse gas emissions, we aim to reduce absolute carbon emissions (Scope 1 and Scope 2) by 35% by 2030, using 2020 as the baseline year through energy efficiency programs and decarbonization initiatives.

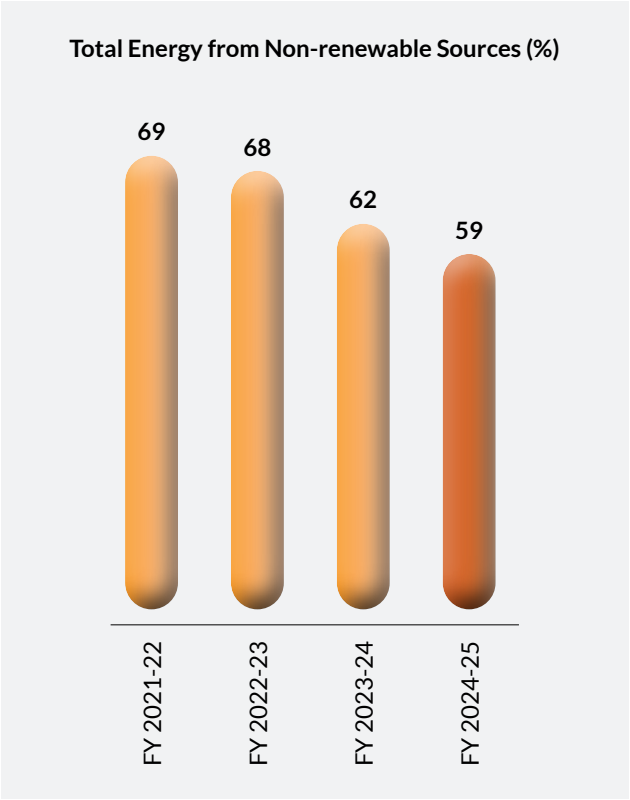
To meet this goal, we are increasing the use of renewable energy share, while implementing energy efficiency measures to optimize consumption. By FY 2024-25, we have achieved ~21% reduction in Scope 1 and 2 absolute carbon emissions compared to the 2020 baseline. Additionally, we aim to reduce our specific energy consumption by at least 2% year-on-year per Mn rupees of turnover (GJ/Turnover in Mn Rupees). In FY 2024-25, our energy consumption stood at 11.76 GJ per Mn rupees of turnover, down from 12.68 GJ in FY 2023-24. This reflects a reduction of 0.9 GJ/Revenue in Mn, accounting for a 7% decrease in specific energy consumption, driven by targeted energy efficiency measures. We continue to focus on process innovation to further reduce energy consumption in our manufacturing operations.

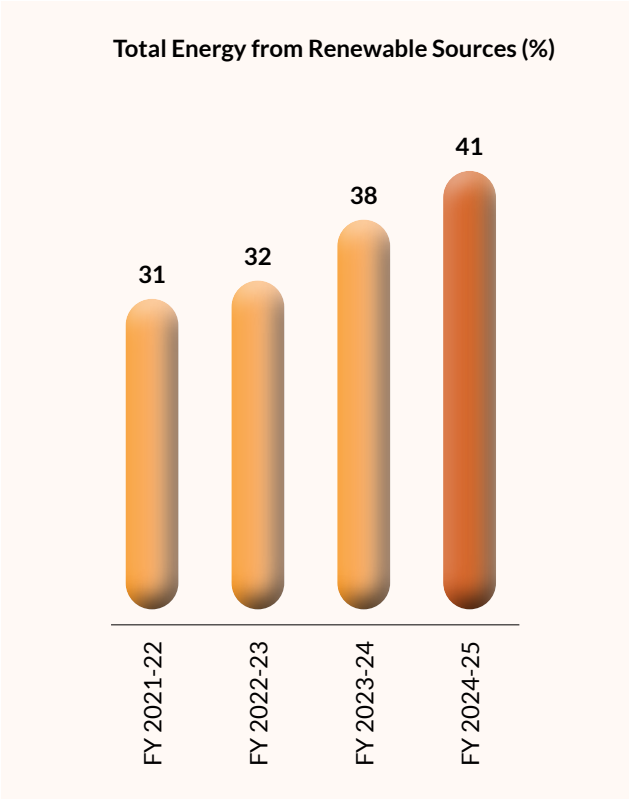
Our annual energy consumption trends

Energy Consumption (in MWh)[16]	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total energy from non-renewable sources	8,39,092	8,15,700	6,89,428	6,63754
Total energy from renewable sources	3,84,193	3,82,412	4,22,359	4,61,880
Total energy consumption	12,23,285	11,98,112	11,11,787	11,25,634

Energy intensity (GJ/Revenue in INR Mn)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
	16.81	15.04	12.68	11.76

Energy Mix FY 2024-25





Key energy savings initiatives undertaken in FY 2024-25

At Sun Pharma, we remain steadfast in our commitment to continuously improving energy performance and conserving energy across all operations. Energy consumption is monitored at both equipment and plant levels, supported by regular benchmarking and energy gap assessments conducted at defined intervals. These evaluations enable us to identify and implement targeted energy conservation projects that significantly reduce energy usage and carbon emissions, aligning with our broader decarbonization objectives.

[16]GRI 302-1

Key Energy Efficiency Measures Implemented:

- Deployment of heat pumps for hot water generation, reducing reliance on steam and associated energy costs.
- Installation of energy-efficient blowers for HVAC systems.
- Replacement of inefficient chillers with high-efficiency models, integrated with smart control systems.
- Upgradation of electric motors to IE3 energy-efficient motors.
- Implementation of demand-side compressed air management to optimize compressor energy use.
- Use of energy-efficient dryers to lower power consumption.
- Installation of energy-efficient lighting with motion sensors to prevent unnecessary energy usage.
- Enhancement of condensate recovery systems, resulting in fuel and water savings across multiple sites.
- Replacement of inefficient pumps with energy-efficient alternatives.
- Installation of variable frequency drives (VFDs) for part-load motor operations to optimize energy consumption.
- Integration of automatic tube cleaning systems in chillers to improve performance and reduce energy usage.

Renewable Energy and Carbon Reduction Initiatives:

We also continue to advance towards decarbonization strategy by adopting alternative energy sources and reducing reliance on fossil fuels.

- A captive hybrid power plant (wind + solar) has been commissioned to partially meet the energy needs of our manufacturing facilities in Gujarat.
- A captive solar power plant has been installed for our Dewas site, supporting a portion of the facility's energy requirements and advancing our commitment to renewable energy.
- Captive windmills are utilized at Maduranthakam (MKM) sites to supplement energy demand.
- During the reporting year, we expanded our solar rooftop capacity at the Mohali, Poanta Sahib, Sikkim, Guwahati, Romania and Baddi manufacturing facilities and Basma warehouse, in addition to previous installations at Halol, Baska, Gurgaon, Dadra, and Vadodara.
- Fuel substitution initiatives have been implemented across most sites, replacing conventional boiler fuels such as furnace oil and high-speed diesel with renewable biomass briquettes for steam generation. This transition significantly reduces our environmental impact and supports our shift toward cleaner energy sources.

These initiatives reflect our ongoing efforts to integrate sustainability into our operations and contribute meaningfully to global climate goals.

Emissions Management

Scope 1 GHG Emissions[17]

We regularly observe and report the emissions relating to the direct fuels used in our operations (HSD, furnace oil, petrol, CNG, LPG, LDO and coal).

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Scope 1 emissions (tCO2e)	75,970	67,203	45,606	38,729

Scope 2 GHG Emissions[18] (tCO2e)

We monitor and report our emissions pertaining to the purchased electricity from the grid. There has been a decline in the Scope 2 emissions intensity over the past four years.

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Scope 2 emissions (tCO2e)	343,236	352,678	323,237	319,559

Scope 1+2 GHG Emissions

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Scope 1+2 emissions (tCO2e)	419,206	419,881	368,844	358,288
Scope 1+2 Emission Intensity (Emission in tCO2e/ Revenue in ₹ Mn)	1.60	1.46	1.16	1.04

Scope 3 GHG Emissions[19]

In alignment with the GHG protocol, we disclose the indirect emissions from our business value chain across seven categories of Scope 3 emissions. The categories most critical and impactful to our operations include purchased goods and services, fuel and energy-related activities, business travel, employee commuting, upstream transportation and distribution, downstream transportation and distribution, and waste generated during operations.

Scope 3 GHG Emissions (tCO2e)

Source	FY 2022-23 (tCO2e)	FY 2023-24 (tCO2e)	FY 2024-25 (tCO2e)
Purchased goods and services	182,979.69	236,932.26	115,139.67
Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	99,160.91	87,269.91	92,465.51
Employee commute	20,114.45	16,411.44	16,536.94
Business travel	3,794.42	4,443.20	4,713.67
Upstream Transportation	7,629.84	4,242.17	5,573.76
Downstream Transportation	38,311.26	24,012.33	38,445.74
Waste generated in operations	5,275.10	6,476.99	7,444.00
Total	**357,265.66**	**379,788.32**	**280,319.29**

[17]GRI 305-1 and 305-4
[18]GRI 305-2 and 305-4
[19]GRI 305-3 and 305-4

Waste Management

At Sun Pharma, our waste management strategy is centered on reducing waste generation through comprehensive action plans. We monitor waste at its source, optimize resource utilization, and implement initiatives aimed at minimizing waste generation. We have set quantified targets to minimise waste, including our commitment to co-process 30% of hazardous waste by 2025. In FY 2024-25, we successfully co-processed 27% of hazardous waste. Regular internal audits are conducted to identify opportunities for improving waste performance.

To reduce landfill disposal, we prioritize recycling and alternative methods such as co-processing. Various measures have been implemented to reduce manufacturing rejects, in alignment with our resource optimization and waste minimization goals. In compliance with Extended Producer Responsibility (EPR), we ensure effective collection and management of end-of-use plastic waste by partnering with authorized third-party waste handlers. This ensures adherence to pollution control board guidelines and EPR regulations. Additionally, few of our operational sites have also been certified as Zero Waste to Landfill by an external accreditation agency. We plan to cover remaining manufacturing sites through this certification in the subsequent years.

We have also adopted initiatives to divert more hazardous waste toward co-processing and recycling, reducing reliance on disposal methods such as incineration and landfilling. As part of our digitalization efforts, we are actively working to reduce paper consumption. Awareness training on the 3Rs – Reduce, Reuse, and Recycle – is conducted for employees to foster a culture of sustainability. In line with our focus on innovation to minimize waste, we have adopted an eco-friendly multi-layered cold storage packaging system for one of our key products. This packaging is designed for reuse after refurbishment and re-qualification, helping to reduce waste and enhance operational efficiency while lowering CO_2 emissions.

Waste Generated

Type of waste[20]	Generated (MT)			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Hazardous	29,802.89	32,033.69	32,353.58	33,306.74
Non-hazardous	21,494.28	21,407.26	19,817.99	23,470.28

Waste Diverted from Disposal[21]

Categories	FY 2021-22(MT)	FY 2022-23(MT)	FY 2023-24(MT)	FY 2024-25(MT)
Hazardous waste				
Reuse	0	0	0	36.78
Recycling	15,445.71	15,448.30	16,021.95	12,369.23
Other recovery options	0	0	13.18	23.59
Total	**15,445.71**	**15,448.30**	**16,035.13**	**12,429.59**
Non-hazardous waste				
Reuse	1.92	3.08	463.59	423.79
Recycling	20,113.92	20,059.71	14,383.29	17,983.08
Other recovery options	811.18	629.26	3,526.86	4,022.01
Total	**20,927.03**	**20,629.05**	**18,843.46**	**22,428.88**

[20]GRI 306-3
[21]GRI 306-4

Waste directed to Disposal[22]

Categories	FY 2021-22(MT)	FY 2022-23(MT)	FY 2023-24(MT)	FY 2024-25(MT)
Hazardous waste				
Incineration with Energy recovery	59.79	998.23	150.22	366.07
Incineration without Energy recovery	2,111.36	719.81	617.45	575.24
Landfilling	8,481.45	10,535.78	11,589.68	13,394.00
Waste otherwise disposed - Co-processing	2,566.87	2,759.85	3,192.38	5,308.56
Waste with unknown disposal method	0	0	351.92	404.74
Total	**13,219.47**	**15,013.67**	**15,901.65**	**20,048.61**
Non-hazardous waste				
Incineration with Energy recovery	0	0	67.57	71.14
Incineration without Energy recovery	49.34	41.30	8.82	0
Landfilling	1,024.57	552.38	828.89	829.25
Waste otherwise disposed - Co-processing	0	0	0	0
Waste with unknown disposal method	0	0	1.81	5.74
Total	**1,073.91**	**593.68**	**907.09**	**906.13**

Water Stewardship

At Sun Pharma, we remain committed to reducing our reliance on groundwater, especially in water-stressed regions. Our water management approach is guided by the principles of Reduce, Reuse, Recycle, and Recharge (4Rs), ensuring responsible and sustainable water usage across our operations. We conduct regular site water assessments and water balancing exercises to identify opportunities for improving water efficiency and conservation.

To lower water consumption, we have adopted several proactive initiatives. Recognizing that cooling towers are major water consumers, we focus on reducing thermal load at our manufacturing sites and utilizing low-grade heat. Heat pumps have been installed at various locations to capture and reuse this heat, and we have improved chiller efficiency to reduce water usage in cooling towers. Additionally, we monitor steam condensate and flash recovery to maximize recovery rates. These initiatives collectively contribute to water savings across our sites. Our water treatment systems have been upgraded to minimize wastage during the treatment process. By transitioning from groundwater to surface water at several sites and installing flow-reducing nozzles, aerators, and sensor-based taps, we have achieved notable water reduction. We conduct regular water audits and promptly address any leakages to minimize losses and ensure operational efficiency.

We have implemented zero liquid discharge (ZLD) systems at 18 sites, reinforcing our commitment to improving wastewater quality. At non-ZLD sites, we maintain efficient effluent treatment systems that comply with local regulations and closely monitor effluent discharge to meet stringent environmental standards and reduce impacts on local ecosystems. We also reuse water from Air Handling Unit drains and have systems in place to recycle RO reject water and treated effluent, optimizing overall water use. Our rainwater harvesting initiatives further reduce dependence on external sources and help replenish local groundwater levels. Additionally, we conduct training and awareness sessions at each site to promote water efficiency. We aim to reduce our water consumption by 10% by 2025, using 2020 as the baseline year. In FY 2024-25, we achieved a significant 25% reduction compared to the baseline, demonstrating the effectiveness of our water management initiatives. These efforts underscore our commitment to sustainable water management and our progress toward achieving our conservation goals. We have also set a target to be water-positive by 2030.

[22]GRI 306-5

Water Withdrawal from Sources[23] (Third party, Surface water & Ground water)

Source	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Third party (KL)	1,556,383	1,454,548	1,631,368	1,665,793
Surface water (KL)	649,986	696,295	447,578	446,219
Groundwater (KL)	1,762,243	1,569,983	1,325,943	1,323,383
Total (KL)	**3,968,613**	**3,720,826**	**3,404,889**	**3,435,395**

Water Discharge[24]

Source	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Third party (KL)	1,287,972	1,422,385	1,118,266	741,934
Surface Water (KL)	-	-	-	509,182

Water Consumption[25]

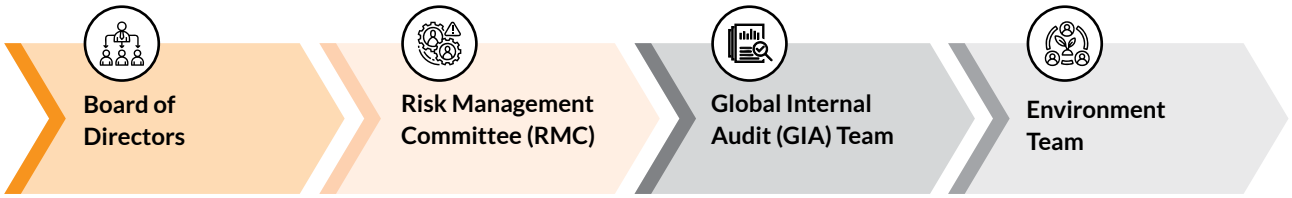
Source	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Water consumption (KL)	2,680,641	2,298,441	2,286,622	2,184,279

[23]GRI 303-3
[24]GRI 303-5
[25]GRI 303-4

Climate Governance

Our risk management strategy uses a cross-functional approach to foster collaboration in managing risk events, supported by a multi-tiered governance framework. This approach ensures seamless teamwork among departments, enhancing risk identification, assessment, and response. The unified effort enables comprehensive handling of threats, reducing vulnerability and increasing resilience.

The governance structure provides a systematic guide for decision-making and accountability, with each layer having distinct roles and responsibilities. This ensures that risks are managed effectively at all organizational levels, from operational teams to senior leadership, promoting proactive risk management and continuous improvement.



Roles and Responsibilities

- **Board Oversight:** The Board of Directors has established a Risk Management Committee (RMC) tasked with overseeing risk management, along with climate risk. This Committee holds the highest level of oversight regarding the company's climate-related risks and opportunities, including the identification, management, and monitoring of vital risks related to climate change. The Enterprise Risk Framework (ERM) serves as a guide for strategic review and implementation of risk management policies, along with annual assessments against overall business objectives. This process is overseen by the committee, led by the Chairman & Managing Director (CMD). With extensive corporate experience, our CMD provides direction for our ESG strategy, supervises climate-related issues, and regularly reviews and approves critical climate projects and capital expenditures. Our environmental team periodically updates the Chairman & Managing Director on all climate-related matters.
- **Management roles and responsibilities:** The environment team is tasked with overseeing the execution, progress, and performance of our climate change initiatives, providing regular updates to the Chairman & Managing Director on climate-related matters.

Climate-Related Management Incentives

Our senior management, environmental team, Global Head of Engineering, and plant/site heads are incentivized to manage climate-related issues. They are responsible for implementing various climate initiatives and contributing to the achievement of GHG emissions and energy efficiency targets. Their overall compensation package includes performance-linked incentives.

Climate Risk Management Approach

The climate risks present in our Enterprise Risk Management (ERM) follow the risk management approach as given below:

Climate Risk Management

In accordance with the TCFD Framework, we carried out a comprehensive assessment of physical and transition climate risks, incorporating scenario analyses during FY 2022–23. The risk assessment encompassed physical and transition climate related business risks. Our initiatives adhere to top-tier frameworks and standards such as the Task Force on Climate-related Financial Disclosures (TCFD) and the Carbon Disclosure Project (CDP). We employed both qualitative and quantitative climate related scenario analyses. Sun Pharma's TCFD approach is based on detailed climate risk assessments, GHG inventorization, and an evaluating current institutional setup.

We have covered short-term, medium-term, and long-term time horizons in our climate risk assessment.

Short Term (0-5 years)

Short-term climate risks, identified as occurring within a 0 to 5-year timeframe, are managed through multiple initiatives within the organization, including energy efficiency and renewable energy projects. Additionally, we have established environmental targets for 2025, using 2020 as the baseline, in alignment with our climate action strategy.

Medium Term (5-10 years)

Medium-term climate risks, spanning a 5 to 10-year period, are anticipated to be addressed through several organizational initiatives, such as energy efficiency and renewable energy projects. We have also established a goal to reduce absolute carbon emissions (Scope 1 and Scope 2) by 35% by 2030, using 2020 as the baseline, as part of our climate action strategy.

Long Term (10-30 years)

We tackle long-term risks proactively by incorporating our climate action plans into our business growth strategy. This approach ensures that sustainability and climate resilience are embedded in our operations, enabling us to adapt effectively to evolving circumstances, such as unexpected events like climate-related supply chain disruptions. We have also set a target to become a Net Zero company by 2050.

Physical Risks and Scenario Analysis

We evaluated the physical risks across all of Sun Pharma's geographical locations and its value chain. This evaluation covered our manufacturing sites, offices, manufacturing sites of key upstream suppliers, and downstream warehouses. We used globally recognized models to assess both acute and chronic physical risks related to droughts, extreme temperature, thunderstorms, floods, wildfires, precipitation, and wind velocity. We examined both historical trends and future projections of the various climate hazards affecting our business locations.

- **Acute Physical Risks:** We have identified immediate physical risks that could impact our operations and value chain, and we plan to develop location-specific mitigation strategies to manage these risks effectively. Our primary goal in assessing physical climate risk was to understand our vulnerability to these threats and mitigate their impact on our operations and supply chains, especially from extreme weather and other climate-related hazards. By proactively addressing these risks, we aim to ensure the continuous operation of our business and minimize potential damages from acute physical impacts. Our climate risk assessment study identified that the manufacturing sites in Sikkim are vulnerable to flash flooding, with estimated financial implications ranging from INR 600 to 709 Mn. In past, a severe weather event caused widespread flooding in Sikkim, damaging public infrastructure and validating the findings of our assessment. Despite the adverse conditions, our sites remained operational due to their strategic terrain. Recognizing their critical importance, we remain committed to investing in targeted mitigation measures to enhance resilience.
- **Chronic Physical Risks:** Understanding our exposure to chronic physical risks, such as precipitation patterns, water availability, and extreme temperatures, through our physical climate risk assessment, enables us to reduce their impact on our direct supply chain and operations. We assess water stress and availability risks at our manufacturing and R&D locations using the WWF's Water Risk Filter Tool.

Climate-related scenario analysis

We explored the historical trends and future projections of various climate hazards that could potentially affect our business locations. To analyze future hazard trends, we employed the Shared Socioeconomic Pathways (SSPs) assessment, utilizing SSP 1, 2, and 5 scenarios until the year 2100. These scenarios contributed to the development of the IPCC Sixth Assessment Report on climate change, released in 2022. Physical climate risk data will be reassessed every five years from now until 2100. The SSPs are based on five narratives detailing broad socioeconomic trends that may influence future societies. The scenario analysis revealed insights into various long-term climate risks affecting our value chain. The evaluation process utilized globally recognized models to assess both acute and chronic risks associated with extreme temperatures, flooding, thunderstorms, droughts, precipitation, wildfires, and wind speed. For physical risk assessment at all locations, the following three climate scenarios are considered.

SSP 1: Sustainability – Taking the Green Road

- Minimal obstacles to mitigation and adaptation efforts.
- Transition to sustainable practices that lead to swift technological advancement, equitable global income distribution, and environmental sustainability.
- Continuation of emissions growth until the century's end, leading to more than a 1-degree Celsius increase in temperatures by 2100.

SSP 2: Middle of the Road

- Moderate challenges to both mitigation and adaptation.
- Implementation of robust mitigation measures aimed at reducing emissions to half of current levels by 2080.
- Ongoing increase in emissions throughout the century, leading to more than a 2-degree Celsius rise in temperatures by 2100.

SSP 5: Fossil-fuelled Development – Taking the Highway

- Significant challenges to mitigation, but low challenges to adaptation.
- Maintenance of current emission levels, following a business-as-usual approach.
- Rapid growth in energy-demanding emissions, leading to a temperature increase of over 4 degrees Celsius by 2100.

Transition Risks and Scenario Analysis

To assess business risks arising from regulations, market changes, and anticipated shifts in policies and technologies related to climate impacts, we conducted a scenario analysis extending up to 2050. This evaluation relied on the Network for Greening the Financial System (NGFS) Scenarios, developed in collaboration with institutions such as the Potsdam Institute for Climate Impact Research (PIK), International Institute for Applied Systems Analysis (IIASA), University of Maryland (UMD), Climate Analytics (CA), and Eidgenössische Technische Hochschule Zürich (ETH). The transition pathways within the NGFS Scenarios are distinguished by several key factors, including net zero targets, long-term temperature goals, short-term policy actions, available technologies, and overall policy coordination. The scenarios employed in the assessment are:

Nationally Determined Contributions (NDCs) Scenario: This scenario assumes India's NDC is fully implemented, aligning business emissions with the NDC trajectory.

Net Zero 2050 Scenario: Through stringent climate policies and innovations, this scenario aims to limit global warming to 1.5°C, achieving global net zero emissions by 2050.

Divergent Net Zero Scenario: The world achieves net zero emissions around 2050 but at higher costs due to varied policies across sectors, leading to a rapid reduction in oil use.

Below 2°C Scenario: It progressively tightens climate policies, providing a 67% probability of keeping global warming beneath 2°C.

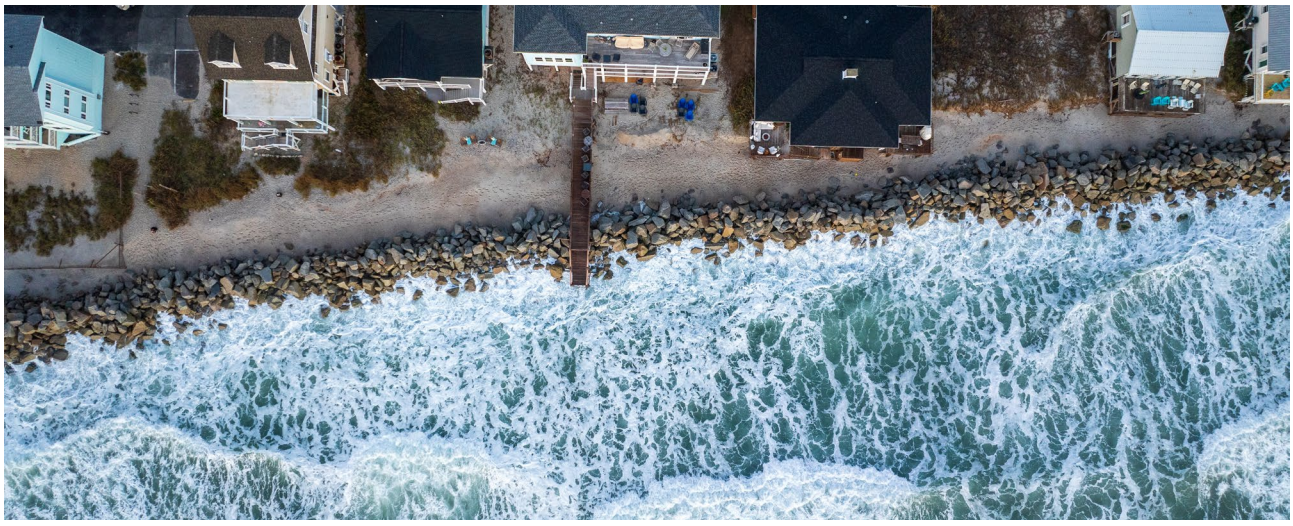
Delayed Transition Scenario: A disorderly transition is assumed, with emissions following a business-as-usual path until 2030, before sharply declining to restrict global warming below 2°C.

Risk	Impact	Risk Level
Political and Legal	Currently, there is no carbon pricing or tax implemented in India, making regulatory implications for Sun Pharma from a policy standpoint relatively low domestically. However, our operations may face regulatory impacts in units located outside India due to varying carbon pricing or tax policies in those regions. To mitigate these challenges, we are actively implementing initiatives aimed at reducing direct and indirect Greenhouse Gas (GHG) emissions across our global sites, in adherence to our targets to reduce absolute Carbon emissions (Scope 1 and Scope 2) by 35% by 2030. We estimate the financial impact of implementing a carbon tax framework to be approximately INR 74.73 Mn. Following this assessment, we have initiated substantial investments in green technologies to proactively mitigate this risk.	Low- Medium
Market	We need to transition to renewable energy sources due to rising costs for essentials such as power and raw materials at local sites. It's important to note that the Indian Government currently has no plans to phase out coal, so the scenarios assume coal prices will remain stable, unlike the NDC scenario. However, the other three low-carbon transition scenarios could lead to a significant price increase, particularly after 2030, as these scenarios suggest coal should not be used as a source of energy. Globally, Sun Pharma units may be affected by these policies, as they might influence market dynamics. Pharmaceutical manufacturers could face carbon tax obligations depending on their emissions profile.	Low- Medium

Risk	Impact	Risk Level
Technology	Currently, our total energy consumption from renewable sources is relatively low compared to non-renewables. However, the share of renewable energy is expected to rise in the coming years, resulting in a lower transition risk. Presently, 41% of our total energy is derived from renewable sources. Assuming the growth rate from 2019 to 2024 continues, we project that over 50% of our energy consumption will come from renewable sources by 2030.	Low
Reputational	Climate change has been identified as a potential source of reputational risk, driven by evolving customer and community perceptions. However, our reputational risk remains low due to our strong commitment to carbon reduction and our strategic focus on renewable energy. We have established clear targets for reducing absolute carbon emissions (Scope 1 and Scope 2), minimizing water consumption, and enhancing hazardous waste co-processing. In addition, we are steadily increasing the share of renewable energy in our overall energy mix and implementing various energy efficiency initiatives. To further mitigate environmental impact, the Company has adopted Zero Liquid Discharge (ZLD) systems across several manufacturing facilities. As of now, 18 of our manufacturing locations have achieved ZLD status.	Low

Physical Climate Risk Adaptation

- **Energy Efficiency:** We are committed to reducing our carbon emissions by 35% by 2030, using 2020 as our baseline for Scope 1 and 2 emissions. To reach this target, we have implemented numerous energy-saving initiatives including the use of heat pumps for hot water generation, energy-efficient HVAC blowers, high-efficiency chillers with smart controls, and IE3 motors. Additional measures include compressed air management, energy-efficient dryers, motion-sensor lighting, improved condensate recovery systems, energy-efficient pumps, variable frequency drives (VFDs) for part-load operations, and automatic tube cleaning systems in chillers. These efforts have contributed to reducing fuel, water, and carbon consumption across our global sites.
- **Water Management:** Droughts and water scarcity are anticipated to rise due to the physical impacts of climate change on our operating sites, increasing our exposure to water risks at certain locations. This could potentially lead to temporary disruptions in operations and impact our revenues. To conduct a comprehensive assessment of water risks across all our global sites, we have utilized both the WWF Water Risk Filter and the Central Ground Water Board (CGWB) analysis. The CGWB analysis helps us identify areas experiencing water stress in India, while the WWF Water Risk Filter assesses water stress for our sites outside India.



Metrics and Targets

We remain steadfast in our commitment to minimizing our carbon footprint. To drive this effort, we have rolled out a series of carbon and energy-focused initiatives aimed at effectively managing our greenhouse gas (GHG) emissions. These initiatives are aligned with our ambitious goal of achieving a 35% reduction in absolute Scope 1 and Scope 2 carbon emissions by 2030, using 2020 as the baseline year. Additionally, We have also set a target of becoming a Net Zero Company by 2050.

In our pursuit of sustainability, we have identified several climate-related opportunities which will lead to substantial reduction in energy costs. We estimate to save around INR 1998.1 million annually once all the planned projects are commissioned. We expect to invest approximately INR 7311.9 million to implement the various energy efficiency and renewable energy projects. These include hybrid power solutions (solar + wind), rooftop solar installations, transitioning boiler fuel from non-renewable sources to biomass, deploying heat pumps across various locations, and upgrading to energy-efficient chillers, compressors, and pumps. Beyond these efforts, we are actively exploring carbon offset projects to neutralize any remaining emissions.

Scope covered by the target	Target Timeframe	Baseline year emissions covered and as a % of total base year emissions	% reduction target from base year
Scope 1 + Scope 2 combined	Base Year- 2020 Target Year- 2030	Base year emissions- 4,51,068 MT CO2e Percentage of total base year emissions- 100%	35%

Our Climate Position

As a responsible corporate entity, we consider public policy engagement a crucial activity that should adhere strictly to all applicable laws and maintain the highest levels of transparency. To this end, we've established a robust Business Responsibility and Sustainability Policy, providing a precise framework for advocating with public and regulatory bodies. We actively collaborate with trade and industry associations like the India CEO Forum on Climate Change.

Sun Pharma is a member of various industry associations like:

1. The Associated Chambers of Commerce of India (ASSOCHAM)
2. Federation of Gujarat Industries (FGI)
3. Confederation of Indian Industry (CII)
4. The Federation of Indian Chambers of Commerce and Industry (FICCI)
5. Indian Drug Manufacturing Association (IDMA)
6. Gujarat Employers Organisation (GEO)
7. Indian Pharmaceutical Alliance (IPA)

Some of these associations undertake public advocacy related to environment matters on behalf of its members. One of the trade associations is CII which has a "Mission Net Zero", a broad initiative to guide Indian industries and to facilitate an environment toward net-zero emissions, supporting India's net-zero target. CII also participates in international events like Conference of Parties (COP) which is aligned with Paris Agreement.

India, through its Nationally Determined Contributions (NDCs), is committed to the Paris Agreement under the United Nations Framework Convention on Climate Change. We at Sun Pharma believe in playing a key role in fostering low-carbon sustainable economies by undertaking various voluntary actions that contribute to India's NDC targets.

As and when required, we review our policy engagements to ensure they align with the Paris Agreement and with trade associations. We will take appropriate corrective actions if adjustments are required to realign our climate change policy positions with trade associations. Our public disclosures provide information on trade association memberships and the climate policy positions we hold in alignment with these associations.

Biodiversity

We recognize that biodiversity management and corporate sustainability are closely linked, and we must incorporate this understanding into our business strategies. This highlights the importance of using resources responsibly and preserving our ecosystem, acknowledging the connection between human activities and the natural environment. Protecting biodiversity positively influences the continuity of our business and supports sustained growth. Our commitment to preserving biodiversity is embedded in our Biodiversity Policy.

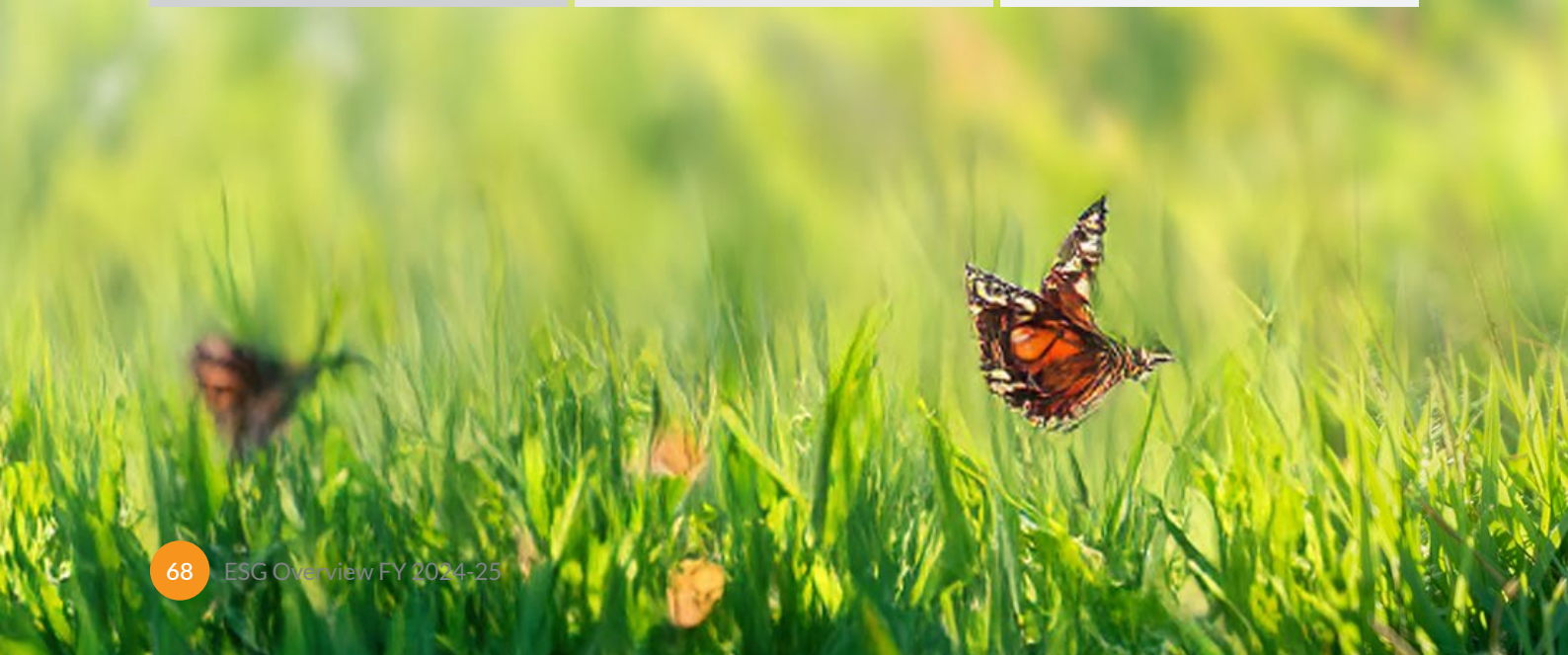
Biodiversity Risk Assessment

Scope and Methodology

We partnered with a third-party agency to conduct a biodiversity risk assessment at 5 of our manufacturing locations. These sites were selected based on their contribution to our overall business and their relevance to our operations. The risk assessment documented various components of biodiversity, ecosystems, and ecosystem services within and around these locations. The biodiversity risk identification was carried out using the Taskforce on Nature-related Financial Disclosures Framework (TNFD) V0.4. Site surveys were employed to conduct the assessments and record the various forms of biodiversity present within and around the sampled sites.

Site surveys were utilized in this assessment to document the diverse forms of biodiversity present in and around the five sampled sites. The key findings from these surveys help identify site-specific risks and facilitate the development of targeted mitigation plans. The assessment included:

Documentation of floral (trees, shrubs, herbs, and medicinal plants) and faunal diversity (mammals, birds—both aquatic and terrestrial, herpetofauna, butterflies).	Identification of flora and fauna, including rare and endangered species and species of national, regional, or local significance, in accordance with the Wildlife Act, 1972.	Development of an action plan for the conservation and enhancement of biodiversity.
Qualitative and quantitative analysis of floral and faunal diversity.	Assessment of the carbon sequestration potential of the existing green belt within the study area.	Identification of non-native or invasive species.



Biodiversity Risks and Opportunities

The biodiversity assessment revealed several risks and opportunities, including:

Risks associated with the sourcing of surface water or groundwater for process requirements.	Risks stemming from the presence of species with high conservation importance within the site and nearby areas.	Risks related to the proliferation of invasive species in greenbelt areas.

Opportunities for carbon sequestration through biodiversity conservation in greenbelt areas, contributing to addressing residual emissions.

Workforce Resilience and Wellbeing

Embodying our vision of 'Reaching People and Touching Lives Globally as a Leading Provider of Valued Medicines,' we prioritize harnessing the potential of our diverse and dynamic workforce. At Sun Pharma, we are deeply committed to cultivating an workplace that empowers our people and fosters a culture of innovation, collaboration, and growth.

[26]GRI 3-3

The table below provides details on our workforce by gender, age and region for FY 2024-25.[27]

Global Workforce						
Permanent Employees (A)	<30 years		30-50 years		>50 years	
	Male	Female	Male	Female	Male	Female
Top Management (G5 and above)	0	0	43	7	120	26
Senior Management (G8 to G6)	0	0	432	80	338	83
Middle Management (G10 to G9A)	61	30	1,861	534	445	206
Junior Management (G11B to G11A)	137	130	2,924	763	487	190
Non -Management (G13 to G12A)	1,881	841	3,274	946	460	271
Field Employees	8,346	544	7,351	1,269	700	333
Executives on Contract / Off-roll	783	519	25	23	2	2
Permanent Worker Category (B)						
Permanent Associates	1,421	175	3,892	444	1,042	419
Non-permanent Worker Category (C)						
Casual Labour	2	1	69	44	1	2
Contractual Labour	5,933	1,686	108	48	15	7

Workforce Gender Diversity

At the heart of our progress lies a workplace culture that embraces diversity and inclusivity. During the reporting period, female workforce represented 18.59% of our global workforce. Looking ahead, we have set a diversity target to achieve 30% female representation across our global workforce by 2040. Additionally, we remain committed to fostering equitable opportunities by actively promoting the inclusion of women in leadership roles, technical positions, and revenue-generating functions.

	Share of women in total workforce	Women in STEM related positions	Women in management positions in revenue generating functions	Women in top Management Positions	Women in junior management positions	Women in All Management Positions
FY 2024-25 Performance	18.59%	25.49%	28.09%	13.47%	23.39%	23.03%
Target for 2040	30%	30%	40%	15%	30%	30%

Workforce Breakdown by Nationality

Nationality	Share in total workforce (%)	Share in all management positions, including junior, middle and senior, Top management (%)
Indian	78.86%	76.76%
American	3.27%	8.57%
Russian	3.07%	1.00%
Israeli	2.01%	4.00%
Other Nationalities	12.79%	9.67%

[27]GRI 2-7 and 2-8

Talent Acquisition and Retention

In FY 2024-25, our global employee (including India) base grew by 6,978 employees with an internal hiring rate of 12.49%. For the reporting year, the average hiring cost per FTE was INR 86,091. The table below provides details of our new hires by region, age, and gender:[28]

	<30 years	30-50 years	>50 years	Male	Female
India	4,059	1,088	36	4,156	1,027
Global (excluding India)	624	943	228	967	828

The table below provides details of total employee turnover (including retiring, resigning, terminated employees and the deceased during the year)[29]

	<30 years	30-50 years	>50 years	Male	Female
India	3,261	1,668	246	4,260	915
Global (excluding India)	397	982	404	889	894

In the reporting year the employee turnover rate was 19.01% with 13.57% being Voluntary Employee turnover rate.

Developing our Talent

Nurturing a culture of continuous learning and development helps our employees embrace the skills they will need in their roles and the future.

Assessments for performance management: Performance management assessments are conducted throughout the year, encompassing goal setting, skill assessments, mid-year evaluations, and year-end reviews, ensuring a robust performance management framework. Additionally, we facilitate agile and informal dialogue between employees and managers, along with team-based performance evaluations, to promote transparency and provide comprehensive feedback. In the fiscal year 2024-25, all employees underwent annual performance appraisals, following a structured management by objectives approach.[30]

Additionally, in the reporting year we also conducted Multidimensional performance appraisal via 360-degree feedback approach for some senior management employees to ensure a comprehensive and unbiased evaluation. These insights directly helped us in performance ratings and compensation decisions, fostering a transparent and merit-driven system.

Holistic Training and Development Programs:

We continued to provide comprehensive learning opportunities through a mentorship approach which align with the objectives of our organization and the aspirations of our employees.[31]

People Manager Development Programme

The People Manager Development Programme at Sun Pharma is strategically designed to enhance the capabilities of managers across all levels, acknowledging their crucial role as communicators between the organization and its employees. This comprehensive program operates through four levels: First-Time Managers receive essential training for effective managerial roles, with a focus on frontline leadership in manufacturing teams; Operational & Functional Level Program builds core management capabilities for strategic decision-making and includes initiatives such as Manager as a Coach and LEAD; Strategic Level Program equips senior leaders to handle market volatility and drive global competitiveness with skills in areas like Data Analytics and Digital Transformation. We are a global company and our workforce consists of people across about 50 different nationalities. This People Manager Development Programme consists of participants from various regions with different cultural backgrounds. The cultural component of this program helps in increasing awareness, sensitivity and respect about different cultures and perspectives. Additionally, this development initiative also extends to contractual and part-time employees, promoting a unified culture and organizational ethos. In FY 2024-25, 100% of our managers engaged in the program, resulting in a 9% increase in production efficiency over the previous year, demonstrating its significant impact on business productivity.

[28&29]GRI 401-1
[30]GRI 404-3
[31]GRI 404-2

Sales Force Effectiveness Programme

The Sales Force Excellence Program (SFEP) at Sun Pharma plays a crucial role in developing our front-line field employees, who make up 36% of our workforce and are key revenue generators through direct customer interactions. The SFEP ensures these employees receive comprehensive development starting with a seamless 7-day induction, followed by continuous training in critical areas such as sales fundamentals, role responsibilities, product knowledge, and marketing strategies. This approach enhances market readiness, fosters innovative selling techniques, optimizes time management, and improves customer communication. By instilling a strong sense of ownership and accountability, the program empowers employees to become passionate brand advocates capable of driving substantial results. Additionally, the cultural education components in this program helps align field employees with Sun Pharma's values and ethics, promoting a unified identity and shared purpose across the sales force. Our sales force is the primary line of connect with our customers as they directly interact with them. We believe that such interactions are an important learning tool for our sales force to understand the customer's needs and their perspectives. This learning helps them in improving their service standards and effectiveness towards the customer. Our sales force also organizes medical events and medical camps for customers which helps our sales force to collaborate with customers, learn about their requirements and in enhancing their skills. With approximately 80% participation annually, the SFEP has generated significant impact, evidenced by a 15.1% increase in revenue in FY 2024-25 compared to FY 2023-24.

In FY 2024-25, each employee completed an average of 57 hours of training. In the reporting year, we spent an average of INR 4,753 on training and development per employee. The table below outlines the details on average training hours for FY 2024-25 by gender and employee category[32]

Employee Category	Male	Female
Top management	78	54
Senior management	153	70
Middle management	169	132
Junior management	81	37
Non-management	90	56
Field Employees	25	26
Executives on Contract	100	100

Talent Engagement

Fair Compensation: Through meticulous benchmarking against industry standards and insights from our independent compensation consultants. Adopting a global perspective on rewards, we strive to maintain competitive remuneration levels across our workforce. Moreover, we adhere to all relevant laws and regulations regarding minimum wages during the hiring process across all our operations.

Gender Pay Assessment[33]

We have also undertaken a gender pay gap assessment across our operations*:

Employee Level	Average Women Salary in INR	Average Men Salary in INR
Executive level (base salary only)	13,081,433	18,254,274
Executive level (base salary + other cash incentives)	14,865,881	21,413,887
Management level (base salary only)	1,919,212	1,852,466
Management level (base salary + other cash incentives)	1,921,309	1,854,110
Non-management level (base salary only)	474,999	586,710

*The above data is for our India operations covering ~80% of our global workforce.

[32]GRI 404-1
[33]GRI 405-2

Employee Benefits

To ensure alignment with evolving needs, we regularly benchmark our employee benefits and opportunities with current market trends. This proactive approach extends to our diverse global teams and their families. Additionally, we also support the employees with retirement benefits, including contributions to pension funds and adherence to mandatory retirement provisions outlined by applicable laws and regulations. Our inclusive leave policies are designed to foster work-life balance and flexibility. Employees across geographies choose their working hours within defined timeframes through our company portal. We also support new parents with paid maternity leave (26 weeks) and paternity leave (1 week) policies[34], complemented by facilities such as on-site lactation facilities, in-house creche facility, and partnerships with nearby creches/ childcare centers.[35]

Furthermore, in the US, 158 employees below the senior management level are provided with Deferred Cash Compensation Plans for a three -year period. These plans are offered based on individual performance and business performance.

At Sun Pharma, as part of our commitment to responsible employment practices, we ensure fair compensation aligned with local laws and cost-of-living benchmarks. We review our compensation frameworks annually to reflect inflationary trends and regional living costs aligning with our commitment to employee well-being and ensuring that all employees globally receive a salary that is competitive and aligned to cost-of-living benchmarks. Additionally, in line with our commitment to gender equity, we also monitor the gender pay gap and strive to achieve equal remuneration for all regardless of gender.

To promote a healthy work-life balance, we ensure that working hours across our global operations fully comply with local labor laws. We also monitor working hours, including overtime, to prevent overwork. However, in cases where overtime work does occur, we ensure that employees are fairly compensated in accordance with applicable policies, upholding our commitment to ethical labor standards. We are also committed to expanding social protection for all employees and workers through comprehensive coverage of health and employment-related benefits. In order to foster a culture of safe and inclusive working environment through collaborative approach, we conduct regular dialogue with workers representatives aimed at improving working conditions. Additionally, recognizing the importance of overall well-being, we make focused efforts to ensure that our employees avail their paid annual entitlements.

Employee Engagement Survey

In the previous reporting period, we underwent the Great Place to Work Survey and achieved an employee engagement score of 82%. Our employee engagement target was 75%. Metrics covered by the survey included:

- Job satisfaction
- Purpose
- Stress levels
- Happiness

[34]GRI 401-3
[35]GRI 401-2

Our Commitment to Human Rights and Non-discrimination

We uphold our commitment to human rights and anti-discrimination practices by enforcing our Human Rights Policy across our global operations. We expect our partners throughout the value chain to align with these principles and maintain effective grievance mechanisms for timely resolution. In the FY 2024-25, we received 28 discrimination complaints, of which five were pending closure as on end of the reporting year[36]. Additionally, we also recognize and support employee representation, with management-recognized employee unions in applicable regions across our global manufacturing facilities, representing 9.05% of our workforce as at the end of reporting year. Furthermore, all our locations have implemented mitigation plans to address human rights-related risks.[37]

Human Rights Protection and Due Diligence Efforts:

We strive to identify the adverse human rights impact of our business on all the relevant stakeholders, and correspondingly account for addressing these impacts through corrective actions. Our comprehensive approach covers key areas such as labor standards, occupational health and safety, environmental practices, corporate ethics, and specific concerns including freedom of association, equitable working conditions, fair remuneration, Human trafficking child labor, and discrimination. Additionally, over the last three years, we have conducted human rights assessments across 100% of our own operations to identify potential risks & issues and review existing risk mapping. No risks were identified as part of the assessment process and hence no mitigation measures were needed. Additionally, we also do a systematic periodic review of the risk mapping of potential issues as part of our broader internal processes. As part of our ESG integration within the supply chain, we also evaluated our suppliers for human rights-related risks. These assessments (own operations & suppliers) included vulnerable groups such as our employees, third-party personnel, children, as well as our suppliers and business associates.

Employee Awareness on Human Rights Policies and Procedures:

To promote comprehension and endorse our dedication to human rights, we offer specialized training sessions to our workforce accessible via our Learning Management System. These training initiatives are designed to enhance awareness and knowledge, fostering a culture that values respect, fairness, and equality.

Ensuring Employee Well-being, Health, and Safety

Through a range of targeted programs and initiatives, we have cultivated a supportive workplace environment that goes beyond conventional benefits addressing the holistic health and well-being of the workforce.

Addressing Workplace Stress and Mental Wellness:

We actively promote employee well-being through regular sessions that equip our workforce with effective coping strategies for stress and other challenges. As part of our mental health support framework, we offer 'Manntalks'—a confidential counseling helpline available to all employees. Our commitment to wellness is further reflected in the celebration of International Yoga Day across our global sites. At Sun Pharma, we recognize the strong link between physical fitness and overall wellness, integrating sports and health programs into our welfare initiatives. Sports activities are organized at every location to encourage active participation. These initiatives are extended to employees' families during our much-anticipated Family Day event, which includes sports competitions for family members, fostering a sense of community and inclusion.

[36]GRI 406-1
[37]GRI 2-30

Employee health:

We have implemented a robust health management system comprising well-defined processes, standard operating procedures (SOPs), and administrative controls to mitigate risks associated with our manufacturing operations. In addition to these safeguards, we actively engage employees through awareness initiatives and webinars that cover a wide range of topics, including nutrition, mental wellness, mindfulness, and lifestyle-related illnesses—reinforcing our commitment to holistic health and well-being.

Our Proactive Approach to Occupational Health & Safety:

Our EHS management system is driven by our commitment to achieving 'zero harm' and aims to stay ahead of regulations and legislation. By benchmarking our EHS standards against international best practices such as ISO 45001:2018, we ensure a proactive approach to safety. This is articulated in our Employee Health & Safety (EHS) Policy.

Our manufacturing sites undergo regular audits and employ robust governance mechanisms to monitor and evaluate the implementation of Environmental, Health, and Safety (EHS) protocols. Oversight of safety standards is carried out by our EHS leadership, ranging from Area Managers to the Operations Head, across all units. These safety standards are firmly established in our EHS guidelines and protocols, ensuring adherence to best practices in accordance with standards such as ISO 45001:2018 and local regulations. Through continuous training and awareness programs, we endeavor to create a culture of safety and shared commitment to promote it in our workplaces.

Global EHS Focus Areas:

Our multi-pronged approach to EHS is shaped by the four core areas of our Global EHS management system.

Audit

- 18 sites globally are ISO 45001:2018 certified
- Number of Self-audit conducted - 1
- Number of Corporate audit conducted - 3
- Number of Third-party audit conducted - 3

Governance

The EHS Policy, EHS management system, and Global EHS standards contribute to our strong EHS governance. We also focus on key EHS Performance Indicators, EHS Corrective Action trackers and EHS culture meter.

EHS Standard Implementation

The ISO 45001:2018 and 14001:2015 standard frameworks serves as the foundation for our global EHS standards. The key focus areas are:

- EHS management system
- Process safety
- Occupational safety
- Environment Occupational health and hygiene

Culture Building

We drive our EHS culture development by a top-to-bottom EHS engagement mechanism that works through numerous channels.

- Visible felt leadership
- Engagement of employees
- Line accountability in EHS
- Competence and capability

Hazard Identification, Risk Assessment and Incident Investigation:[38]

Our risk assessment methodology and safety practices are anchored in the principles outlined in our Process Safety Management (PSM) framework, which comprises 14 core elements. To support this, we have deployed a specialized IT-enabled Global EHS portal that empowers employees to report and investigate incidents. The portal also facilitates knowledge sharing on preventive measures, helping to avoid recurrence and fostering a culture of continuous safety improvement.

14 Elements of Process Safety Management

Health and Safety Management	Control of Work	Advanced Risk Assessment
Management of change	Hot work permit	Process safety information
Incident investigation	Emergency preparedness and response	
Contractors	Mechanical integrity	Process hazard analysis
Compliance audits	Pre-startup safety review	
Employee involvement	Training management	Operating procedures and safety practices
Trade secrets		

Key Focus Areas of Process Safety Management

Risk analysis

Purpose: This process helps to examine the root causes and develop appropriate mitigation action plans.

Tools implemented:

- EHS checklists – Hazard and Operability Study (HAZOP)
- Hazard Identification and Risk Assessment (HIRA)
- Qualitative Risk Analysis (QRA) – Job Safety Analysis (JSA)

Risk evaluation for materials used across manufacturing operations

Purpose: This is conducted to assess the EHS information related to the materials used in manufacturing operations. This evaluation aims to prevent any potential hazards resulting from the unintended mixing of different materials.

Change management system

Purpose: This is used to examine and address the change in process and facility

Work-related hazard identification

Purpose: To identify the unsafe conditions at work and monitor work-related hazards by the site-specific EHS governing team.

[38]GRI 403-2 and 403-7

On-site emergency preparedness

Purpose: To implement a robust fire safety and emergency management system

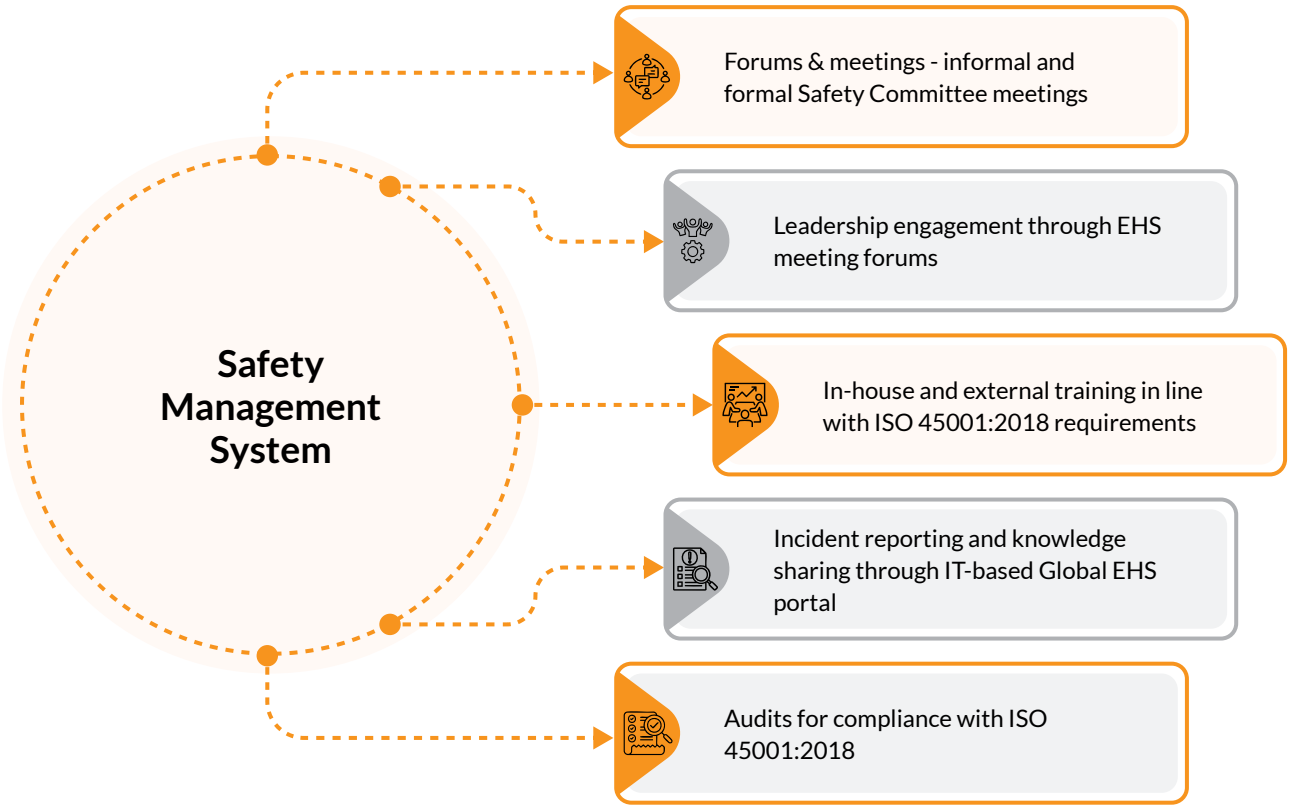
Regular fire safety drills and training sessions are conducted to ensure preparedness and we maintain a ready supply of fire protection equipment, that has been tested for functionality, across our manufacturing locations.

Disaster management

Purpose: To identify emergencies and establish a chain of procedures.

We strive to ensure uninterrupted operations and healthcare solutions. Through our formal on-site emergency plan (OSEP), we identify potential emergencies and outline procedures, including designated evacuation routes. Furthermore, we evaluate risks associated with potential disasters that could impact our entire supply chain as part of our business continuity plan. We support our workforce through training and upskilling initiatives that enable a smooth and inclusive transition in response to evolving negative industrial and climate-related changes.

The 5 pillars of our Safety Management System:[39]



[39]GRI 403-7

Instilling a safety mindset

At Sun Pharma, we adopt a multi-pronged approach to deeply embed a culture of safety across our operations. Through practical safety training, we equip our workforce with the knowledge and skills necessary to strengthen their understanding of safety protocols. We promote safety awareness using both formal and informal communication channels, engaging employees through quizzes, interactive EHS competitions, safety drills, and observances such as National Safety Week and Fire Service Week. Our rewards program recognizes individuals who exemplify a strong commitment to safety, reinforcing positive behavior. Regular EHS rounds conducted by the Site Leadership Team (SLT), Shift In-charges, and Block In-charges further emphasize the importance of safety, fostering a sense of ownership and accountability at all levels. To measure the effectiveness of our safety initiatives, we introduced the 'EHS Culture Meter'—an evaluation tool that enables us to assess the impact of our training programs and identify strengths and areas for improvement. This data-driven approach supports continuous enhancement of our EHS governance framework.

For FY 2024-25 our combined Lost Time Injury Frequency Rate target for employees and workers was 0.147 against which the reported Lost Time Injury Frequency Rate for employees and workers was 0.190.

We also target Zero fatality at all our operational sites.

Safety Performance in FY 2024-25

Description	Employees	Workers
Fatalities	0	0
Lost-time injury frequency rate*	0.213	0.146

*Rates have been calculated as per 200,000 man-hours worked.

Sustainable Supply Chain

At Sun Pharma, ensuring product accessibility is a cornerstone of our commitment to sustainable value creation for all stakeholders. Our integrated supply chain management system—encompassing logistics, procurement, planning, and inventory management—is designed to align manufacturing and distribution closely with market needs.[40]

Regular reviews led by our senior management are integral to sustain the efficiency and effectiveness of our supply chain management. These periodic assessments enable continuous evaluation and enhancement of our processes, ensuring alignment with industry standards and our strategic objectives. By focusing on a robust and cross-functional approach to supply chain management, we enhance resource utilization, reduce waste, and streamline operations. This ensures the timely and sustainable delivery of products and services to our customers, reinforcing our commitment to long-term success and value creation. Our progress is tracked through relevant KPIs, supporting ongoing performance improvement.

[40]GRI 2-6

Procurement: Our procurement team is committed to ensuring the uninterrupted supply of raw materials, as well as primary and secondary packaging components, and finished formulations. This support is critical to the development, manufacturing, and availability of APIs and formulations across designated markets.

Planning and Inventory Management: Our comprehensive management system incorporates Distribution Requirement Planning (DRP), Market Requirement Planning (MRP), and other strategic planning tools. These resources allow us to accurately evaluate inventory needs and efficiently oversee supply chain operations.

Distribution and Logistics: Through effective coordination between our supply chain and logistics teams, we ensure the timely delivery of finished goods and services, consistently meeting customer requirements. In the event of supply chain disruptions, the logistics team works closely with the supply chain team to address challenges and ensure the successful delivery of consignments.

Finished Goods Delivery: Our dedicated distribution team ensures that finished goods are delivered according to the agreed timelines and customers specifications while also selecting the most suitable mode of transport to enable swift and efficient delivery of consignments.

Effective Supply Chain Monitoring

Within our supply chain operations, we have implemented a robust monitoring system to effectively identify, assess, and mitigate risks. Our strategy leverages structured principles and checklists to systematically evaluate potential risks and develop appropriate mitigation plans. As part of our monitoring efforts, we conduct regular assessments of our vendors to ensure comprehensive oversight of all critical suppliers. Critical Quality Attributes (CQA) audits are carried out every three years to maintain high standards. During the year, we conducted scheduled evaluations of our key vendors, assessing their compliance with a range of key indicators, including legal and regulatory adherence, product quality, safety, human rights, labour practices, working conditions, environmental sustainability, biodiversity, environmental management systems, transparency, and country-, sector-, and commodity-specific risks. We also engage with vendors through targeted training and support initiatives to help them align with the outlined parameters as a part of the overall improvement plans. This proactive approach enables us to continuously monitor and enhance our supply chain practices, ensuring compliance, fostering innovation, and driving continuous improvement. As part of our development efforts, we organized a knowledge-sharing session—facilitated by third-party expert focused on our supplier ESG programs with an objective to strengthen ESG performance across our value chain.

Oversight of implementation of the supplier ESG programs

A top management executive, along with his team, is actively leading efforts to integrate ESG principles and practices throughout our supply chain. In addition, the company's ESG Council (consisting of members from top executive management) is responsible for oversight of ESG initiatives and programs in the company.

To reinforce our commitment to ESG (Environmental, Social, and Governance) principles throughout our operations, we have introduced a Supplier & Third Party Code of Conduct expecting all third-party vendors, suppliers, and business partners to follow the principles outlined in the Suppliers Code of Conduct.

Suppliers Screened in FY 2024-25

Tier-1 suppliers	1,206
Significant suppliers in Tier-1	180
% of total spend on significant suppliers in Tier-1	64%
Significant suppliers in non-Tier-1	268
Significant suppliers (Tier-1 and non-Tier-1)	448

Key Supply Chain Initiatives

1. We conducted periodic reviews of suppliers and inventory in alignment with established ESG guidelines. A total of 64 suppliers were assessed through desk-based audits to ensure compliance with ESG parameters.
2. Vendor performance was evaluated using a structured scorecard mechanism, alongside assessments of adherence to the Company's Supplier and Third Party Code of Conduct.
3. Critical items were sourced through the empanelment of multiple suppliers to ensure supply chain resilience.
4. Monitoring effective compliance management and contract performance to ensure alignment with regulatory standards and internal policies.
5. Periodic audits of new suppliers based on the CQA policy, Supplier and Third Party Code of Conduct, internal quality standards, ESG criteria, and applicable regulations.
6. Identifying and prioritizing key risks and implementing mitigation strategies led by the Strategic Procurement Committee.
7. Training and capacity building sessions for internal stakeholders on ESG and supply chain management.
8. On-site CQA audits conducted (including ESG parameters) for suppliers.

Local Sourcing

We prioritize sourcing from local suppliers due to the strategic and sustainable benefits it brings to our operations. By reducing dependence on imported goods, we effectively manage currency fluctuation risks and strengthen supply chain resilience. Collaborating closely with local partners allows for greater agility and fosters mutual growth. This approach also contributes to the development of regional capabilities and supports job creation. Moreover, local procurement plays a vital role in minimizing our environmental impact. Shorter transportation routes lead to lower carbon emissions, helping us reduce the ecological footprint associated with long-haul logistics. Through our commitment to local sourcing, we aim to embed resilience into our operations, stimulate local economic development, and advance sustainability across our value chain and the communities we serve.

Product Stewardship

Opting for Raw Materials and Components that Minimize Environmental Footprint

We continually strive to include environmental considerations in the development of new products and in enhancing the processes for existing items. Our efforts involve using green chemistry to minimize water, energy, and material usage. In creating more sustainable pharmaceuticals, we prioritize efficient methods, renewable materials, and safer solvents. We aim to streamline processes like dry mixing in blending to eliminate the need for additional equipment like RMG, compactor, or dryer without solvent use, which leads to shorter processing times, reduced energy consumption, less waste, and safer production.

Environmental Footprint at Distribution, Storage, and Transportation stages

We implemented eco-friendly multi-layered cold storage packaging for one of our main products. This packaging can be reused after refurbishment and re-qualification following each usage cycle, leading to reduced CO2 emissions and enhancement in overall efficiency.

Environmental Impacts in Life Cycle Management of Products

In FY 2024-25, we have undertaken a full life cycle assessment of two products manufactured across three of our India manufacturing units consisting of API & Formulation sites.

This assessment was carried out in accordance with ISO 14040 and 14044 Standards including the four phases - goal and scope definition, life cycle inventory analysis, life cycle impact assessment and life cycle interpretation. This assessment was undertaken to evaluate the potential environmental impacts of these two products. Impact categories covered through this assessment included land use, mineral resource scarcity, fossil resource scarcity, water depletion, terrestrial acidification, fine particulate matter formation, ecotoxicity, eutrophication, global warming, ozone depletion, photochemical ozone formation, human toxicity and Ionizing radiation.

Additionally, we also carry out life cycle management for certain products with the dual objectives of reducing overall costs and enhancing environmental friendliness. This process includes internally assessing the manufacturing steps, evaluating whether these steps can be redesigned to lessen environmentalimpact, switching to eco-friendly inputs, and implementing strategies to reduce energy consumption during production.

Increasing product durability for use phase of the product

We use advanced polymer packaging technology to enhance product protection for longer shelf-life. It creates a precise microclimate within individual blister cavities to protect tablet or capsule inside thermo form blister pack. This is done through insertion of active polymer substance which are designed to absorb/adsorb/release/diffuse moisture, gases, oxygen, reactive impurities, odors, formaldehyde and other volatiles.

This extends the shelf-life of the product, reduces waste and also reduces the need for frequent replacement of the product for the end consumer.

Sustainable Packaging

Our initiatives for sustainable packaging focus on reducing our carbon footprint, minimizing plastic usage, enhancing recycling efforts, controlling impurities, and boosting shelf life. To achieve these goals, we've implemented several strategies: employing QR codes to cut down on paper use, adopting PVC-free packaging, using eco-friendly aqueous varnishes, and utilizing advanced printing technologies to limit paper label consumption. Additionally, we have integrated Sustainable CR Caps to decrease bottle size and weight, swapped non-recyclable cartons for recyclable plastic-free carton packs. Furthermore, we have collaborated with a certified third-party waste handler to manage and collect end-use plastic, aiming to reduce the usage of single-use plastics within the organization. These efforts align with the Pollution Control Board guidelines and Extended Producer Responsibility (EPR) regulations.

Exposure to Hazardous Substances

Sun Pharmaceutical Industries Ltd is a global pharmaceutical company and pharmaceutical manufacturing accounts for approximately 99% of global revenues. Hence as per guidance criteria of S&P CSA, the question related to exposure to hazardous substance is not applicable to the company.

As per clause 2.2.3.2 of the REACH Registration Guidelines, we are exempt from registering our products. None of our products include substances listed on the Candidate List of Substances of Very High Concern (SVHC). We ensure that all our products undergo rigorous quality checks and testing before they are released onto the market. Sun Pharma adheres to the Globally Harmonised System (GHS) for classifying and labelling chemicals, which is an international standard for categorizing, labeling, and communicating the hazardous properties of industrial and consumer chemicals.

Assurance

INDEPENDENT ASSURANCE STATEMENT

to the Management of Sun Pharmaceutical Industries Limited

Sun Pharmaceutical Industries Limited (Corporate Identity Number L24230GJ1993PLC019050, (hereafter mention as 'Sun Pharma' or 'the Company') commissioned DNV Business Assurance India Private Limited ("DNV"," us" or "we") to conduct an independent assurance of its sustainability non-financial disclosures in its Sustainability Report (hereafter referred as 'Report') for Financial Year (FY) 2024-25.

Scope of Work and Boundary

The agreed scope of work is a Limited Level of assurance of non-financial sustainability disclosures in the Report for the reporting period 01/04/2024 to 31/03/2025. The reported topic boundaries of non-financial sustainability performance are based on the materiality assessment as mentioned in 'Stakeholder Engagement and Materiality Assessment' section of the report, covering the Company's operations and reporting boundary as brought out in the section 'About the Report' of the report.

Based on the agreed scope with the Company, the boundary of limited level of assurance covers the operations of Sun Pharma across all global locations at consolidated level as mentioned in the section 'About the Report' of the report.

Reporting Criteria and Standards

- "with reference" to requirements of Global Reporting Initiative (GRI) standards 2021
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard

Assurance Methodology/ Standard

DNV carried out assurance engagement in accordance with DNV's VeriSustain™ protocol (V6.0), which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information.* DNV's VeriSustain™ Protocol (V6.0) has been developed in accordance with the most widely accepted reporting and assurance standards.
Apart from DNV's VeriSustain™ protocol (V6.0), DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification and validation of greenhouse gas statements for verification of greenhouse gas (GHG) disclosures*.

Our competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO/IEC 17029:2019- Conformity Assessment – General principles and requirements for validation and verification bodies and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. DNV has complied with the Code of Conduct during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e FY 2024-25, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

Basis of our conclusion

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of Sun Pharma. We carried out the following activities:

- We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders.
- Reviewed the disclosures in the report. Our focus included general disclosures, GRI topic specific disclosures and other material disclosures specified under the reporting framework.
- Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in report.
- Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting requirements. Collect and evaluate documentary evidence and management representations supporting adherence to the reporting requirements.
- Interviews with the senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected GRI disclosures.
- DNV audit team conducted on-site audits for corporate offices and sites (refer Annexure II). Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
- Reviewed the process of reporting as defined in the assessment criteria.

Our Conclusion:

On the basis of the assessment undertaken, for GRI disclosures as mentioned in Annexure I, nothing has come to our attention to suggest that the disclosures are not fairly stated and are not prepared, in all material aspects, as per the above reporting criteria.

Principles as per DNV VeriSustain™ Protocol (V6.0)

1. **Materiality**

The process of determining the issues that are most relevant to an organization and its stakeholders.
The Report explains the materiality assessment process carried out by the Company which has considered concerns of internal and external stakeholders, and inputs from peers and the industry, as well as issues of relevance in terms of impact for Sun Pharma's business.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

2. **Stakeholder inclusiveness**

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.
The Report brings out the stakeholders who have been identified as significant to the Company, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and needs of each stakeholder group which have been identified through these channels of engagement are further brought out in the Report.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness

3. **Responsiveness**

The extent to which an organization responds to stakeholder issues.
The Report adequately brings out the Sun Pharma's policies, strategies, management systems and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups.
Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

4. **Reliability/Accuracy**

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.
The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The majority of information mapped with data verified through our on-site and remote assessments with Sun Pharma's management teams and process owners at the Corporate Office and sampled sites within the boundary of the Report were found to be fairly accurate and reliable. Some of the data inaccuracies identified in the report during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction.
Nothing has come to our attention to believe that the Report does not meet the principle of Reliability and Accuracy.

5. **Completeness**

How much of all the information that has been identified as material to the organization and its stakeholders is reported?
The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of Principle of Completeness.
Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.

6. **Neutrality/Balance**

T*he extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.*
The Report brings out the disclosures related to Sun Pharma's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

7. **Sustainability Context**

This addresses the requirement related to the presentation of the organization's performance in its own sustainability and general business context, i.e. a local, regional and international context.
The Report outlines how the Company monitors and evaluates its impacts across local, regional and global sustainability contexts. It reflects the Company's efforts to align its performance with broader societal needs and planetary boundaries to monitor, measure and evaluate its significant direct and indirect impacts linked to identified material topics across the Company, its significant value chain entities and key stakeholder groups.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Sustainability Context.

Responsibility of the Company

Sun Pharma has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and ensuring the quality and consistency of the information presented in the Report. Sun Pharma is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website.

DNV's Responsibility

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

Use and distribution of Assurance statement

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this assurance statement. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

Inherent Limitations

DNV's assurance engagement assume that the data and information provided by the Company to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in the evaluation or assessment of any financial data/performance of the company. DNV's opinion on financial disclosures relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

The use of this assurance statement shall be governed by the terms and conditions of the contract between DNV and the Sun Pharma and DNV does not accept any liability if this assurance statement is used for an alternative purpose from which is intended, not to any third party in respect of this assurance statement.

For DNV Business Assurance India Private Limited,	
Parab, Ankita Digitally signed by Parab, Ankita Date: 2025.09.10 16:06:17 +05'30'	Sharma, Anjana Digitally signed by Sharma, Anjana Date: 2025.09.10 16:29:29 +05'30'
Ankita Parab Lead Verifier	Anjana Sharma Assurance Reviewer
Assurance Team: Goutam Banik, Sudharshan K., Varsha Bohiya, Syed Rameez	

10/09/2025, Mumbai, India.

Annexure I

GRI Disclosures assured for Limited level of assurance:

- GRI 2: General Disclosures 2021;
- GRI 3- Material Topics 3-1, 3-2;
- GRI 203: Indirect Economic Impacts 2016- 203-1;
- GRI 204: Procurement Practices 2016- 204-1;
- GRI 205: Anti-corruption 2016 – 205-1, 205-2, 205-3;
- GRI 206: Anti-competitive Behavior 2016 – 206-1;
- GRI 302: Energy 2016 – 302-1, 302-3, 302-4;
- GRI 303: Water and Effluents 2018 – 303-1, 303-2, 303-3, 303-4, 303-5;
- GRI 305: Emissions 2016 –305-1*, 305-2**, 305-3***, 305-4, 305-6, 305-7;
- GRI 306: Waste 2020 – 306-1, 306-2, 306-3; 306-4; 306-5;
- GRI 401: Employment 2016 – 401-1, 401-2, 401-3;
- GRI 403: Occupational Health & Safety 2018 – 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10;
- GRI 404: Training and Education 2016 – 404-1, 404-2, 404-3;
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1, 405-2;
- GRI 406: Non-discrimination 2016 – 406-1;
- GRI 407: Freedom of Association and Collective Bargaining 2016 – 407-1;
- GRI 408: Child Labor 2016 - 408-1;
- GRI 409: Forced or Compulsory Labor 2016 – 409-1;
- GRI 410: Security Practices 2016 – 410-1;
- GRI 413: Local Communities 2016 – 413-1, 413-2;
- GRI 416: Customer Health and Safety 2016 – 416-1, 416-2;
- GRI 417: Marketing and Labeling 2016 – 417-1, 417-2, 417-3;
- GRI 418: Customer Privacy 2016 – 418-1.

Notes:
* Scope 1 GHG emissions are calculated based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC sixth assessment report and Montreal Protocol on substances that deplete the ozone layer, 2022. Fugitive emissions from refrigerant refilling are not reported in Scope 1 emissions.
** Scope 2 GHG emissions for Indian operations are calculated based on the Grid Electricity EF - Central Electricity Authority, Govt. of India, CO2 baseline database for Indian Power Sector, version 20, December 2024 and for global emissions it is calculated based on US EPA GHG Emission Factors Hub 2025, IFI Default Grid Factors 2021 and national grid emission factors.
*** Scope 3 GHG emissions are calculated for Categories 1, 3, 4, 5, 6, 7 and 9 as per GHG Protocol. Scope 3 GHG emissions are calculated based on USEEIO 2021 and UK DEFRA - Conversion Factors 2024.

Annexure II

Sites selected for audits

S.no	Site	Location
1.	Corporate Office	Mumbai, Maharashtra
2.	Manufacturing plants- on-site audit	Halol, Gujarat Dahej, Gujarat Panoli, Gujarat Ahmednagar, Maharashtra
3.	Manufacturing plants- remote audit	Paonta Sahib, Punjab Dadra Guwahati, Assam Malaysia South Africa

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