

Sun Pharmaceutical Industries Limited

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29 September 2026

National Stock Exchange of India Limited
Scrip Name: SUNPHARMA

BSE Limited
Scrip Code: 524715

ESG Overview for FY 2025-26

We are submitting herewith the ESG Overview of the Company for the financial year 2025-26, which shall be released after this submission.

For Sun Pharmaceutical Industries Limited

Anoop
Anjanikumar
Deshpande

Digitally signed by Anoop
Anjanikumar Deshpande
Date: 2026.09.29 19:12:13
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(Anoop Deshpande)

Company Secretary & Compliance Officer
ICSI Membership No.: A23983

Sun Pharmaceutical Industries Limited

ESG OVERVIEW

FY2025-26



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About the Report

Sun Pharmaceutical Industries Limited, (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715, “Sun Pharma”, along with its subsidiaries and/or associate companies), headquartered in Mumbai, India presents the ESG Overview for the fiscal year 2025-26. This ESG Overview outlines our company’s ESG performance from April 01, 2025 to March 31, 2026.

Reporting Frameworks and Benchmarks

This Report has been developed with reference to the Global Reporting Initiative (GRI) Standards 2021. We participate in global ESG rating assessments, including the S&P Global Corporate Sustainability Assessment (CSA), EcoVadis and CDP’s Climate Change and Water disclosures (erstwhile Carbon Disclosure Project). This Report details the assumptions and methodologies behind our estimates. The GRI Index is appended to this report.

Scope and Reporting Boundary

The reporting boundary comprises 44 manufacturing locations and R&D centres across Sun Pharma’s national and international operations, covering 84% of operational sites for EHS-related indicators (~97% of our revenues), since the remaining sites account for only ~3% of total revenue, they are not considered significant contributors based on the materiality considerations. 100% of operational sites for all other indicators (~100% of our revenues) have been considered.

External Assurance

The information presented in the report has been externally assured by DNV Business Assurance India Private Limited.

Feedback

It is our endeavor to seek feedback on our sustainability performance disclosures from all our stakeholders. Please share your feedback, suggestions and/or queries at: secretarial@sunpharma.com

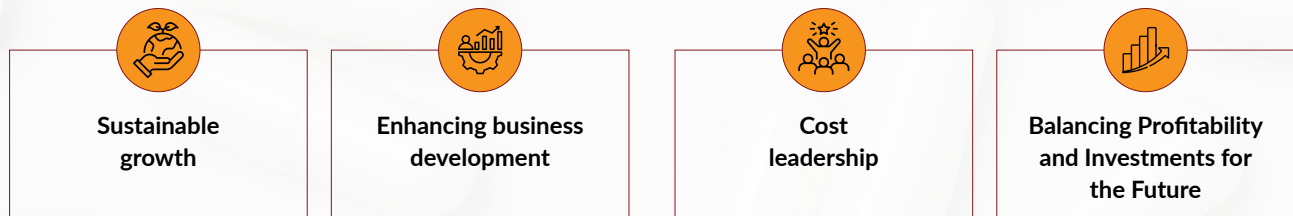


About Sun Pharma

Recognized and trusted by healthcare professionals and patients alike, Sun Pharma stands as a leading global player in the specialty generic pharmaceutical industry, with revenues of USD 6.6 billion. We provide high-quality medicines across approximately 100 countries, supported by 40 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.

At Sun Pharma, our commitment to long-term growth and value creation for all stakeholders. Our growth strategy is centered around four key pillars:



Since inception to realize this strategy and ensure consistent business success, we have made focused investments in four core capabilities:



Geographical Reach



Read more about SUN PHARMACEUTICAL INDUSTRIES LIMITED on: [Sun Pharma Annual Report FY 2026](#) on page 4 of 344

ESG Performance Highlights



Environment

15.86% Reduction in absolute carbon emissions and **48.64%** decrease in specific intensity for Scope 1 and 2 carbon emissions compared to baseline year 2020.

16.05% Reduction in absolute water consumption and **48.72%** decrease in specific intensity for water consumption compared to baseline year 2020.

43% Energy sourced from renewable sources.



Social

17.97% female representation across our global workforce.

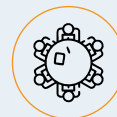
13.44% Women in top Management Positions.

26.39% Women in revenue generating functions.

25.29% Women in STEM related positions.

INR **2,068 million** CSR spend.

Nearly **2.23 million** lives touched in India through CSR initiatives.



Governance

95.24% Average Board meeting attendance.

50% Independent Board Directors.



Corporate Governance & Ethics

At Sun Pharma, we are committed to high standards of business integrity through robust governance structures and processes. Our corporate governance philosophy is grounded in principles of trust, accountability, reliability and transparency, reflecting our commitment to excellence in all our operations. In our commitment to creating a sustainable business, we prioritize our core values and strive to create an environment of trust through transparent and accountable communication with stakeholders, whilst promoting responsible and sustainable decision-making. Our robust corporate governance framework enhances transparency for all

stakeholder and adheres to regulatory requirements. We have adopted a top-down approach to boost operational excellence, supported by a diverse, industry-experienced one-tier Board of Directors. Our diverse, single-tier Board of Directors represents this approach, comprising highly motivated and dedicated industry experts. The Board and its committees strictly oversee the implementation of the Global Code of Conduct (GCoC), company policies, processes, and compliance with local laws and regulations. This approach highlights our dedication to responsible business practices throughout our operations and value chain.

Charting a Legacy of Ethical Leadership

Board of Directors



Mr. Dilip Shanghvi¹
Executive Chairman
NRC CSR RMC



Mr. Kirti Ganorkar²
Managing Director
SRC CGESGC



Dr. Pawan Goenka
Lead Independent Director
A NRC SRC CSR RMC
CGESGC



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



Ms. Satyavati Berera³
Independent Director



Ms. Vidhi D. Shanghvi⁴
Whole-time Director and
Head – CHC
CSR



Mr. Gautam Doshi
Independent Director
A NRC SRC RMC CGESGC



Mr. Rolf Hoffmann
Independent Director
NRC



Dr. Andreas Eugen Busch⁵
Independent Director

¹ Stepped down as Managing Director effective from September 01, 2025 and continues to be the Executive Chairman.

² Appointed as Managing Director effective from September 01, 2025.

³ Appointed as a Non-Executive Independent Director of the Company for a term of five years commencing from May 08, 2026 to May 07, 2031.

⁴ Appointed to the Board of Directors effective from May 22, 2025.

⁵ Appointed as a Non-Executive Independent Director of the Company for a term of five years with effect from May 12, 2026 upto May 11, 2031.

Ms. Rama Bijapurkar retired from the Board of Directors after the close of business hours on May 20, 2026, upon completion of her first term.

COMMITTEE DETAILS

Audit Committee	A
Nomination and Remuneration Committee	NRC
Stakeholders Relationship Committee	SRC
Corporate Social Responsibility Committee	CSR
Risk Management Committee	RMC
Corporate Governance and ESG Committee	CGESGC

4 Independent Directors

2 Female Directors

6.0 years of average board tenure⁶

95.24% attendance in Board meetings

⁶Board tenure represented is at the time of the assessment performed (September). All other numbers are as on March 31, 2026.

Composition of Board

Our board brings together deep organizational knowledge and valuable external perspectives. This diversity of thought and experience helps build the foresight for potential risks, aid in robust discussion making, and objective oversight.

Our company has a single board or a one-tier system consisting of executive, non-executive, and independent directors. As on March 31, 2026, the Board comprises 8 Directors, with diverse skills, experience, and domain expertise, collectively contributing to informed decision-making and long-term value creation.

Type of Members	No. of Members
Executive Directors	4
Independent Directors	4
Other Non-Executive Directors	0
Total Board Size	8

Committees of the Board

At Sun Pharma, we have established six Board level committees each with specific roles to manage various organizational matters effectively. These committees meet regularly to assess and review Risks, established Controls, performance against targets, opportunities and provide recommendations to the Board thereby enhancing our decision-making process. Additionally, these Committees play a key role in overseeing the evaluation and implementation of various initiatives, underscoring our commitment to overall corporate governance. The Board and its committees also oversee the implementation of our strategies, Global Code of Conduct (GCoC), processes and ensure compliance with regulations and various company policies reflecting our commitment to responsible business conduct across our operations and value chain. For further details on our Board Committee, please refer: [Sun Pharma Annual Report FY2026](#) on page 88 of 344.



Board Independence

As on March 31, 2026, the Board of the Company comprised 8 members. This included 4 Executive Directors, of whom 3 are associated with the Promoter, including 1 Woman Director; and 4 Non-Executive Independent Directors, 1 of whom is a Woman Independent Director. All Independent Directors comply with the criteria outlined in the Companies Act, 2013 and SEBI's Listing Regulations 2015.

Each director, at the time of appointment and thereafter at the beginning of each financial year, submits a declaration confirming their independence under Section 149(6) of the Companies Act, 2013 ('the Act') read with the rules made thereunder and Schedule IV and Regulation 16(1)(b) of the SEBI Listing Obligation and Disclosure Requirements Regulations, 2015 ('SEBI Listing Regulations').

As per the Listing Obligations and Disclosure Requirements Regulation, 2015 by SEBI (Securities and Exchange Board of India), the Executive Chairman of the Board being the Promoter of our Company, at least half of the Board of Directors shall comprise of Independent Directors. Our Board constitutes of 50% Independent Directors, thereby, fulfilling the target share requirement. We aim to strengthen board independence as a key pillar of effective corporate governance through increasing share of Independent Directors of the Board; thus, supporting enhanced independent judgment, transparency, and long term value creation. Board performance is reviewed periodically by the Nomination and Remuneration Committee as part of Board evaluation and succession planning.

Change in Managing Director

At Sun Pharma, the role of CEO (Managing Director) and Chairperson is split and former CEO /MD is now a Chairperson. Mr. Dilip Shanghvi stepped down as Managing Director effective from September 01, 2025 and continues to be the Executive Chairman. Mr. Kirti Ganorkar was appointed as the Managing Director of the Company for a term of five years commencing from September 01, 2025 to August 31, 2030.

Lead Independent Director

Dr. Pawan Goenka is appointed as the Lead Independent Director. The institution of a Lead Independent Director marks a substantive advancement in our Company's governance framework, driving enhanced independent oversight, structured functioning of Independent Directors through executive interactions, improved Board agenda formulation and deliberations, and a strengthened counterbalance in Board-Management dynamics. These measures are further reinforced by independent chairing of key committees and a dedicated Corporate Governance & ESG Committee.

Board Diversity

Diverse perspectives are essential for building resilient, forward-looking organizations. As evidenced by research, companies in the top quartile for board-diversity are more likely to outperform financially than those in the bottom quartile. At Sun Pharma, we embrace this ethos, recognizing that diversity, equity, and inclusion are not only business imperatives but also key drivers of long-term value creation for stakeholders.

The Board has adopted a Board Diversity Policy, which emphasizes on the primary diversity attributes inclusive of age, gender, race/ethnicity or nationality, country of origin, cultural background, board experience and behavioural/ personality aspects etc. Our policy is governed by the applicable statutory requirements under the Companies Act, 2013 SEBI Regulations and such other statute. The Nomination and Remuneration Committee ("NRC") seeks guidance from the 'Diversity Attributes' and identify skills and other behavioural aspects as it deems relevant from time to time for the purpose of identification and recommendation of the new person(s) to be inducted to the Board.

Our Board comprises a diverse group of highly experienced, knowledgeable, and committed professionals who bring a balanced blend of strategic insight, industry expertise, and governance acumen. Collectively, they contribute a deep understanding of our Company and its ecosystem. Pursuant to the Articles of Association of the Company, the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, our board comprises of 2 female directors, including 1 Independent female director, accounting for 25% of female directors on the Board.

Board Accountability

Board attendance is a key indicator of director engagement, and as a good governance practice, the Board mandate adopted by our company requires the Directors to maintain a minimum attendance of 75% during the ongoing financial year. During FY2026, ended March 31, 2026, seven Board meetings were held. The average Board meeting attendance for the financial year is above 75%, accounting for 95.24%. The Company is governed by the Companies Act, 2013. Any alteration to the Articles of Association of our Company requires a special resolution passed by the shareholders under the Companies Act, 2013, thereby, requiring shareholder approval for changes in bylaw. Each year, the NRC reviews the performance evaluation criteria for the Board as a whole, its committees, and individual Directors, considering applicable SEBI Regulations and the Guidance Note on Board Evaluation issued by ICSI. During

the financial year, annual performance evaluation of the individual Directors, including the Chairman of the Board, was carried out under a comprehensive Performance Evaluation Program ("PEP"), as per the criteria and process approved by Nomination and Remuneration Committee (NRC). For the financial year 2025-26, the PEP was implemented through a structured, multi-pronged approach to ensure a robust, objective, and effective evaluation process. The approach comprised the following:

- Questionnaire Approach
- Interaction Approach
- Meeting of Independent Directors

For further details on our Board Committee, please refer: [Sun Pharma Annual Report FY2026](#) on page 53 of 344.

We have an effective succession planning mechanism focusing on the orderly succession of Directors, Key Management Personnel, and Senior Management. The Nomination and Remuneration Committee implements this mechanism in conjunction with the Board. 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.

In accordance with SEBI regulations, non-executive and independent directors are permitted to serve on a maximum of seven listed company boards. In FY2026, 4 of our independent and non-executive directors currently hold fewer than 4 directorships in other listed entities.

Metric	Values/Name
Number of board members (independent/non-executive directors) with 4 or less other mandates	4
Names of the board members with 4 or less other mandates	1- Dr. Pawan Goenka 2- Mr. Gautam Doshi 3- Mr. Rolf Hoffmann 4- Ms. Rama Bijapurkar

Pursuant to the requirements of the Companies Act 2013, the Whole-time Directors are appointed for a period of 5 years and are liable to retire by rotation. One-third of total Non-Independent Directors (including Whole-time Directors) retire by rotation and may be re-elected every year, while Independent Directors are appointed for a specific term. Each member of the Board of Directors is elected individually. The average board tenure in the reporting year FY2026 was 7.2 years and the Board tenure at the time the assessment is performed (September) is 6.0 years. Board tenure was calculated in accordance with the DJSI methodology, considering the directors serving on the Board at the time of assessment.

Board Industry Experience

Effective board oversight is strengthened by a combination of industry, functional, and strategic expertise. Directors with relevant industry knowledge bring informed perspectives to decision-making, provide constructive challenge to management, and enhance the Board's ability to oversee long-term strategy by integrating the expertise into governance processes.

As on March 31, 2026, our Board includes one Independent Director with deep expertise in the pharmaceutical sector, Mr. Rolf Hoffman (Independent Director). 63% of our total Board Members have pharmaceutical industry experience. For further information on our directors' skills and expertise, please refer: [Sun Pharma Annual Report FY2026](#) on page 87 of 344.

Metric	Values/Name
Number of independent or non-executive members with industry experience (e.g., excludes executives):	1
Name of independent or non-executive directors included in the above count	Mr. Rolf Hoffmann

CEO-to- Employee Pay Ratio

At Sun Pharma, we believe that transparency is fundamental to effective governance and stakeholder trust. Accordingly, and in line with global best practices, we are committed to provide meaningful disclosures on compensation structure.

The ratio between the total annual compensation of the CEO (Managing Director of the company) and the median employee compensation for the reporting year was 119.17. In FY2026, Mr. Dilip Shanghvi stepped down as Chairman and Managing Director effective from September 01, 2025 and redesignated to be the Executive Chairman of the Company. Mr. Kirti Ganorkar was appointed as the Managing Director of the Company commencing from September 01, 2025. In view of the leadership change during FY2026, the Managing Director's total annual compensation has been computed taking into account the actual remuneration paid to Mr. Dilip Shanghvi until August 31, 2025 and to Mr. Kirti Ganorkar from September 01, 2025 until the end of the financial year. The calculation methodology is aligned with the guidance provided by the DJSI. The information regarding the percentage increase or decrease in remuneration can be found [Sun Pharma Annual Report FY2026](#) on page 61 of 344.

CEO-to-Employee Pay Ratio

Total annual compensation of the Managing Director (INR)	8,81,12,191
Median salary of employees for FY2026 (INR)	7,39,386
Ratio	119.17

CEO Compensation Success Metrics and Long-term alignment

Globally, boards and investors increasingly view CEO compensation as a critical tool for driving long-term value creation. At Sun Pharma, we have pre-defined financial targets on EBT and Sales Revenue for the global organization which along with MD goals assessment are used to determine the MD's variable compensation. The actual achievement against Target on Sales and EBT is used as a metric in financial returns. We have an intervening 3 years performance for annual LTI grant and 1 year performance for annual performance- based variable pay.

Management Ownership

Research in corporate governance suggests that meaningful stock ownership by CEOs and executive leadership teams strengthens alignment between management and shareholders.

The table below elaborates on the value of shares held by the Managing Director and other executive committee members of the Company as of March 31, 2026. In FY2026, Mr. Dilip Shanghvi stepped down as Chairman and Managing Director effective from September 01, 2025 and redesignated to be the Executive Chairman of the Company. Mr. Kirti Ganorkar was appointed as the Managing Director of the Company commencing from September 01, 2025. As guided by DJSI, and considering that Mr. Kirti Ganorkar had not completed a full fiscal year in his role as Managing Director as of March 31, 2026, we have disclosed management ownership details for both the Managing Directors who served during FY2026. This approach has been adopted to provide a more transparent and comprehensive representation of leadership ownership during the reporting period.

The methodology followed for both the calculations remain identical, i.e.: Shareholding as on 31.3.2026 * BSE Share price as on 30.03.2026 / base salary of the Managing Director considered.

Position	Name	Multiple Base Salary
Managing Director	Mr. Dilip Shanghvi, Executive Chairman & Managing Director until September 01, 2025 and continues to be Executive Chairman effective from September 01, 2025	7,597.98
Average across other executive committee members owning shares (Average excluding Mr. Dilip Shanghvi)	Mr. Kirti Ganorkar, Managing Director from September 01, 2025 Mr. Aalok Shanghvi, Whole-time Director Ms. Vidhi Shanghvi, Whole-time Director	129.80

Position	Name	Multiple Base Salary
Managing Director	Mr. Kirti Ganorkar, Managing Director from September 01, 2025	0.34
Average across other executive committee members owning shares (Average excluding Mr. Kirti Ganorkar)	Mr. Dilip Shanghvi, Chairman & Managing Director until September 01, 2025, and continues to be Executive Chairman effective from September 01, 2025. Mr. Aalok Shanghvi, Whole-time Director Ms. Vidhi Shanghvi, Whole-time Director	2,662.35

Management Ownership Requirements

Sun Pharma is a promoter-owned company with Mr. Dilip Shanghvi (the promoter) holding the position of Chairman and Managing Director (CMD) until September 01, 2025, and continues to be the Executive Chairman of the company. There were no specific share ownership requirements for the CEO/ MD as he was also the promoter of the Company. At the end of the financial year under consideration (i.e. as of March 31, 2026) with Mr. Kirti Ganorkar as the CEO/ MD of the Company, there is still no specific stock ownership requirements in place. The Promoter Group (including the Promoter) held 54.48% of the shares. CEO is actively involved in the business taking various strategic decisions and is committed to corporate governance, growth and creating long-term shareholder value.

Ownership Structure

We at Sun, work in the best interests of the shareholders and all other stakeholders to culminate trust and drive sustainable growth for everyone. Government institutions have more than 5% of the voting rights and details

regarding the same has been disclosed below. We do not have any golden shares for governmental institutions.

Government Institution	Total % of ownership (As on March 31, 2026)
Life Insurance Corporation of India	5.23%

The founding individuals or family members own total of more than 5% of the voting rights and the information is disclosed in the table below:

Total % of voting rights of Promoter and Promoter Group in the Company as on March 31, 2026	54.48%
Details for the individual/family ownership	Promoter, Individual members and relatives of the Promoter, Promoter Trust, Persons acting in concert, and Promoter entities collectively hold 54.48%



ESG Governance Oversight and Accountability

Sun Pharma treads the path of its vision, 'Reaching People and Touching Lives'. In a sector where ESG accountability is fundamental, we scale our operations with a greater purpose in mind. Our approach to achieve our vision entails clear targets, performance metrics and regular monitoring. Our governance structure blends the top-down strategic direction with bottom-up innovation and engagement, that enables us to integrate sustainability into the business operations in a cohesive and effective manner. We have dedicated ESG committees at the Board as well as at the Executive levels. The Corporate Governance and ESG Committee ("CGESGC") at the Board level (consisting of Independent Directors) of our Company plays a pivotal role in maintaining oversight on ESG and sustainability-related initiatives. The Board is responsible for driving our vision, ensuring sustainable results, and delivering significant shared value to all stakeholders. For further details about our CGESGC committee, please refer: [Sun Pharma Annual Report FY2026](#) on page 92 of 344.

We have established a framework outlining key personnel's responsibilities regarding ESG matters, emphasizing the integration of ESG principles across our operations with ongoing Board oversight. The Board of Directors ensures complete oversight of sustainability efforts, supported by the Corporate Governance & ESG Committee. This Committee is chaired by Independent Director and reviews sustainability initiatives & targets periodically. The ESG Strategy, Goals, targets and performance are periodically presented to board by ESG Council, which is then approved by the board.

We also have an ESG Council, an executive level committee consisting of C-suite members, supported by Global Head - ESG to drive ESG agenda across the business. The Global Head- ESG is responsible for shaping strategic priorities, advancing ESG initiatives, and developing a structured and implementable approach to sustainability throughout the organization.



Business Ethics

The values at Sun Pharma serve as a guiding compass, shaping our actions and preparing us to lead. We place reliability at the forefront of our engagement with stakeholders. We bring this value to life by approaching governance with a deep sense of responsibility, commitment and ethical conduct.

Zero cases of corruption and bribery

49 breaches reported on Discrimination or Harassment

Zero breaches reported on Customer Privacy Data

Zero breaches reported on Conflicts of Interest

Zero breaches reported on Money Laundering or Insider trading

Global Code of Conduct has been strengthened to cover the evolving areas including anti-bribery and corruption, gifts, political contributions, charitable contributions or sponsorship, and third- party engagement.



Commitment to Ethical Conduct: Global Code of Conduct

Integrity is one of the core ideologies we adhere to and the driving force behind every decision we make at Sun. Our comprehensive Global Code of Conduct ("GCoC" or "Code") serves as the guiding framework for ethical behaviour across the organization as well as the value chain, outlining the principles that shape our actions and define our values. Enriched with practical guidance and case-based illustrations, it supports employees from their first day at Sun and throughout their professional journey, enabling them to navigate complex situations with fairness and accountability.

Our Code is designed to maintain the highest standards of governance. The GCoC applies to all employees (whether permanent, temporary or on contract, direct or through contractor, retainer or full- time consultant), and members of the Board of Directors of the Company ("Personnel"). The Code applies to Sun Pharma and its subsidiaries, affiliates and the business units within and outside India. Sun Pharma also expects its business partners including suppliers, service providers, agents and channel partners (dealers, distributors and others) to adhere to the principles of the Code. These guidelines not only help us conduct ethically but also guides on the process to manage and investigate incidents responsibly and ethically. It covers various aspects including Corruption and bribery, Discrimination, Confidentiality of information, Conflicts of interest, Antitrust/anti-competitive practices, Money-laundering and/or insider trading/dealing, Environment, health and safety, Whistleblowing amongst others.

Employees receive training annually on the Global Code of Conduct (GCoC) that entails topics including anti bribery, whistle blower, anti- money laundering, etc. and are expected to comply with the GCoC rigorously. We maintain rigorous oversight throughout all areas of our business to proactively deter and address any misconduct. During FY2026, there have been no instances of bribery, corruption, money laundering, insider trading, or conflicts of interest.

Further information with regards to the Global Code of Conduct can be found in our [Global Code of Conduct](#). Our GCoC requires all of its personnel (including members of the Board) to refrain from engaging in any activity or having a personal interest that presents a conflict of interest. The Board members give an annual declaration confirming adherence to the GCoC. The Board members give disclosure of interest in other persons/entities annually as well as whenever, there is a change and the same is placed before the Board for its information.

Our Corporate Governance and ESG Committee (CG&ESGC) monitors our compliance with the Corporate Governance guidelines and applicable laws and regulations, make recommendations to the Audit Committee and thereby to the Board on all such matters and on corrective actions, if any, to be undertaken, review and ensure implementation of ethical standards and practices in respect of Corporate Governance by the Company in spirit and intent perspective. The CG&ESGC also evaluates and approves all related party transactions as per the requirements of the policy on Related Party Transactions as approved by the Board. All contracts/ arrangements/ transactions entered by our Company during the year under review with the related parties were approved by the CG&ESGC and were undertaken in the ordinary course of business and on an arm's length basis. These systems in place help to ensure that conflicts of interest are prevented and mitigated.

Grievance Redressal

We value the perspectives of our stakeholders and believe their feedback plays a pivotal role in driving continuous improvement and are committed to redressing the grievances of all our stakeholders in a timely and secure manner. Our Global Whistleblower Policy provides a safe mechanism for all stakeholders to report any misconduct or violation of our GCoC and other Company policies through a transparent and anonymous channel. We encourage all stakeholders to report misconduct or grievance without the fear and protect them of retaliation. Our website (<https://sunpharma.com/contact/>) provides an option to our stakeholders to file complaints/grievances related to product quality and adverse events. For shareholders, we provide for a separate grievance redressal procedure through the Registrar and Share Transfer Agents as prescribed by SEBI. 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 and HSES practices, 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.

Further details regarding Whistleblower policy can be accessed through our [Global Whistle Blower Policy](#).

Policies

We have established a strong governance structure and comprehensive Business and ESG policies to ensure responsible business conduct across our operations and value chain. These policies clearly outline expectations for all employees and business partners, serving as essential guides for various business operations and processes. For further details on our policies, please refer: [Shareholder's Information | Policies - Sun Pharmaceutical](#)

Key Memberships and Industry Associations

Membership in key national and international trade and industry associations helps us to collaborate and advocate for best practices and shape industry standards on the ESG issues across the pharmaceutical sector.

The Associated Chambers of Commerce of India (ASSOCHAM)

The Federation of Indian Chambers of Commerce and Industry (FICCI)

Confederation of Indian Industry (CII)

Indian Drug Manufacturing Association (IDMA)

Federation of Gujarat Industries (FGI)

Indian Pharmaceutical Alliance (IPA)

Gujarat Employers Organization (GEO)

UN Global Compact (UNGC) Member

Pharmaceutical Supply Chain Initiative (PSCI) Member

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.

Particulars	Currency	FY2023	FY2024	FY2025	FY2026
Lobbying, interest representation or similar	INR Mn	0	0	0	0
Local, regional or national political campaigns/ organizations / candidates	INR Mn	0	0	0	0
Trade associations or tax-exempt groups (e.g. think tanks)	INR Mn	169.34	201.80	422.80	678.61
Other (e.g. spending related to ballot measures or referendums)	INR Mn	0	0	0	0
Total contributions and other spending to trade associations	INR Mn	169.34	201.80	422.80	678.61

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

Largest Contributions and Expenditures (INR)

Particulars	Corporate Position	Description of Position/ Engagement	FY2026
Facilitating regulatory reforms for the pharmaceutical industry in India.	Support	As a member of trade associations, we along with other pharmaceutical companies, engage with the trade associations on topics and position for facilitating regulatory reforms in the pharmaceutical industry in India.	98,26,000
Address the challenges faced by India in the health sector and to strengthen Public and Private healthcare Initiatives	Support	As a member of this trade association we, along with other pharmaceutical companies, engage with the trade association on topics and position for addressing the challenges faced by India in the health sector and to strengthen Public and Private healthcare Initiatives.	5,31,000

Other Major Expenditures:

Name	Amount Paid in INR	Advocacy Topic
Indian Pharmaceutical Alliance (IPA)	90,00,000	Regulatory reforms to improve drug development process in India, Trade Margin Rationalization
The Federation of Indian Chambers of Commerce and Industry (FICCI)	8,26,000	Regulatory Reforms for Pharma sector in India
The Associated Chambers of Commerce of India (ASSOCHAM)	5,31,000	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 in our [Tax Policy](#).

Particulars	FY2025	FY2026
Earnings before tax	1,37,52,13,00,000.00	1,51,18,88,00,000
Reported Tax	27,72,03,00,000.00	35,54,36,00,000
Cumulative acceptable adjustments*	0	0
Effective tax rate (in %)	20.16%	23.51%
Cash Taxes Paid	28,93,15,35,567	32,94,64,00,000
Tax Refund Received	24,16,31,10,156	9,80,70,00,000
Net Tax Paid (as reported in cash flow statement)	4,76,84,25,411	23,13,94,00,000
Cash tax rate (in %)	21.04%	21.79%



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

(All financial numbers are in local currency in Million)

Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of March 31, 2026	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
Sun Pharmaceutical (Bangladesh) Limited	Bangladesh	Manufacturing & marketing of pharmaceutical products	BDT	0	1,090.5	(351.7)	(3.5)	23.0	73%	46.1	Subsidiary
Sun Pharmaceutical Industries, Inc.	USA	Manufacturing & marketing of pharmaceutical products	USD	1189	1,62,790.0	(2,402.3)	(2,337.2)	-	100%	-	Subsidiary
Sun Farmaceutica do Brasil Ltda.	Brazil	Marketing of pharmaceutical products	BRL	265	6,926.3	(133.9)	(214.2)	-	100%	100.6	Subsidiary
Sun Pharma De Mexico S.A. DE C.V.	Mexico	Marketing of pharmaceutical products	MXN	178	2,032.3	130.5	41.7	77.4	100%	5.3	Subsidiary
Sun Pharmaceutical Peru S.A.C.	Peru	Marketing of pharmaceutical products	PEN	77	-	(0.1)	-	-	100%	228.6	Subsidiary
Sun Pharma De Venezuela, C.A.	Venezuela	Marketing of pharmaceutical products	VES	0	-	-	-	-	100%	0.0	Subsidiary
Chattem Chemicals Inc.	USA	Manufacturing of pharmaceutical products	USD	102	10,748.7	4,838.2	(291.0)	-	100%	-	Subsidiary
The Taro Development Corporation	USA	Subsidiary	USD	0	-	559.9	(178.1)	-	100%	-	Subsidiary
Alkaloida Chemical Company Zrt.	Hungary	Manufacturing of pharmaceutical products	USD	457	6,547.3	857.7	113.0	50.6	100%	8,422.1	Subsidiary
Sun Pharmaceutical Industries (Australia) Pty Limited	Australia	Manufacturing of pharmaceutical products	AUD	140	4,937.9	(182.6)	-	-	100%	10,656.8	Subsidiary

(All financial numbers are in local currency in Million)

Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of March 31, 2026	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
Aditya Acquisition Company Ltd.	Israel	Subsidiary	ILS	0	-	0.1	-	-	100%	0.0	Subsidiary
Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	Marketing of pharmaceutical products	EUR	76	7,244.5	192.3	54.8	21.5	100%	2.0	Subsidiary
Sun Pharmaceuticals Germany GmbH	Germany	Marketing of pharmaceutical products	EUR	19	6,292.7	100.4	30.4	21.2	100%	2.7	Subsidiary
Sun Laboratories FZE	UAE	Marketing of pharmaceutical products	USD	19	3,644.9	143.0	21.4	(1.3)	100%	1,156.0	Subsidiary
Sun Pharma Japan Ltd.	Japan	Manufacturing & marketing of pharmaceutical products	JPY	125	6,797.0	(305.8)	0.4	8.0	100%	93.4	Subsidiary
Sun Pharma Philippines, Inc.	Philippines	Marketing of pharmaceutical products	PHP	156	1,296.8	87.0	(6.5)	12.1	100%	13.5	Subsidiary
Caraco Pharmaceuticals Private Limited	India	Subsidiary	INR	0	-	(0.1)	-	-	100%	0.1	Subsidiary
Sun Pharma Laboratories Limited	India	Manufacturing & marketing of pharmaceutical products	INR	13574	1,25,755.6	79,570.9	16,577.3	9,911.0	100%	400.5	Subsidiary
Taro Pharmaceutical Industries Ltd. (Taro)	Israel	Manufacturing & marketing of pharmaceutical products	USD	864	16,523.6	6,052.8	61.5	4,508.9	100%	64.4	Subsidiary
Sun Pharma Canada Inc. (Formerly known as Taro Pharmaceuticals Inc.)	Canada	Marketing of pharmaceutical products	USD	680	6,713.2	277.7	47.7	-	100%	35,157.4	Subsidiary

(All financial numbers are in local currency in Million)

Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of March 31, 2026	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
Taro Pharmaceuticals U.S.A., Inc.	USA	Marketing of pharmaceutical products	USD	7	5,842.5	7,708.3	1.0	-	100%	13.7	Subsidiary
Taro Pharmaceuticals North America, Inc.	USA	Subsidiary	USD	0	-	(2.2)	-	-	100%	0.0	Subsidiary
Taro International Ltd.	USA	Marketing of pharmaceutical products	USD	0	25,479.0	618.1	108.7	-	100%	0.0	Subsidiary
Neetnav Real Estate Private Limited	India	Subsidiary	INR	0	1.6	16.7	4.9	1.5	100%	0.1	Subsidiary
Softdeal Pharmaceutical Private Limited	India	Subsidiary	INR	102	2,499.0	463.0	118.5	149.2	100%	0.1	Subsidiary
Universal Enterprises Private Limited	India	Subsidiary	INR	0	-	(0.0)	-	-	100%	4.5	Subsidiary
Sun Pharma Switzerland Ltd.	Switzerland	Marketing of pharmaceutical products	CHF	0	30.4	(6.3)	0.0	-	100%	11.8	Subsidiary
Sun Pharma Holdings PI Real Estate Ventures, LLC	Mauritius	Holding Company	USD	5	-	(70.0)	-	-	100%	3,22,773.6	Subsidiary
	USA	Subsidiary	USD	0	283.1	192.2	-	-	100%	-	Subsidiary
Sun Pharma East Africa Limited	Kenya	Marketing of pharmaceutical products	KES	107	1,103.2	40.2	13.6	-	100%	0.1	Subsidiary
Basics GmbH	Germany	Marketing of pharmaceutical products	EUR	38	5,233.9	104.5	31.9	49.5	100%	528.7	Subsidiary
Ranbaxy Pharmaceuticals Ukraine LLC	Ukraine	Marketing of pharmaceutical products	UAH	97	965.5	68.9	12.3	16.7	100%	85.9	Subsidiary
Sun Pharmaceuticals Morocco LLC	Morocco	Marketing of pharmaceutical products	MAD	146	3,677.2	(63.4)	19.7	8.3	100%	122.5	Subsidiary

(All financial numbers are in local currency in Million)

Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of March 31, 2026	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
Sun Pharmaceutical Industries S.A.C.	Peru	Marketing of pharmaceutical products	PEN	0	788.3	111.4	32.9	48.3	100%	117.3	Subsidiary
Sun Pharma Holdings UK Limited	UK	Holding Company	GBP	0	-	14.2	2.9	-	100%	3,816.2	Subsidiary
Sun Pharma France	France	Manufacturing & marketing of pharmaceutical products	EUR	22	4,651.9	32.8	-	-	100%	4,874.8	Subsidiary
Sun Pharma Italia srl	Italy	Marketing of pharmaceutical products	EUR	22	6,630.9	159.4	64.1	67.7	100%	5.4	Subsidiary
Ranbaxy Pharmaceuticals (Pty) Ltd	South Africa	Manufacturing & marketing of pharmaceutical products	ZAR	112	10,318.1	873.5	249.5	94.4	100%	3,866.4	Subsidiary
Ranbaxy South Africa (Pty) Ltd	South Africa	Manufacturing & marketing of pharmaceutical products	ZAR	304	714.8	172.5	39.2	110.5	100%	96.7	Subsidiary
Sonke Pharmaceuticals Proprietary Limited	South Africa	Joint Venture	ZAR	9	1,986.2	233.4	61.9	-	70%	11.0	Subsidiary
Sun Pharma Egypt LLC	Egypt	Manufacturing & marketing of pharmaceutical products	EGP	184	913.6	56.2	(2.6)	9.4	100%	487.1	Subsidiary
Rexcel Egypt LLC	Egypt	Manufacturing & marketing of pharmaceutical products	EGP	0	39.5	4.5	-	0.7	100%	3.6	Subsidiary
Sun Pharma UK Limited	UK	Marketing of pharmaceutical products	GBP	25	6,486.6	148.5	38.1	6.2	100%	2,716.4	Subsidiary

(All financial numbers are in local currency in Million)

Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of March 31, 2026	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
Ranbaxy (Poland) SP. Z O.O.	Poland	Manufacturing & marketing of pharmaceutical products	PLN	84	1,048.8	42.1	13.7	13.4	100%	107.9	Subsidiary
Ranbaxy Nigeria Limited	Nigeria	Manufacturing & marketing of pharmaceutical products	NGN	212	1,807.4	754.9	26.1	15.0	86%	2.7	Subsidiary
Ranbaxy (Thailand) Co., Ltd.	Thailand	Marketing of pharmaceutical products	THB	107	2,794.6	52.4	38.5	53.5	100%	331.1	Subsidiary
Ohm Laboratories, Inc.	USA	Manufacturing of pharmaceutical products	USD	337	17,075.3	(1,560.6)	1,054.0	-	100%	22.6	Subsidiary
Ranbaxy Signature LLC	USA	Joint Venture	USD	0	-	(0.1)	-	-	68%	-	Subsidiary
Ranbaxy Inc.	USA	Holding Company	USD	14	-	(2,746.4)	160.2	-	100%	1,204.1	Subsidiary
AO Ranbaxy	Russia	Marketing of pharmaceutical products	RUB	437	15,102.4	1,802.9	550.3	728.9	100%	188.6	Subsidiary
Sun Pharma Laboratorios, S.L.U.	Spain	Manufacturing & marketing of pharmaceutical products	EUR	24	3,645.9	97.6	24.4	21.6	100%	108.5	Subsidiary
Ranbaxy (Malaysia) SDN. BHD.	Malaysia	Manufacturing & marketing of pharmaceutical products	MYR	303	4,326.5	930.9	239.0	297.9	98%	192.4	Subsidiary
Ranbaxy Farmaceutica Ltda.	Brazil	Marketing of pharmaceutical products	BRL	13	8,726.9	461.8	197.6	107.6	100%	313.4	Subsidiary

(All financial numbers are in local currency in Million)

Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of March 31, 2026	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
Sun Pharma ANZ Pty Ltd	Australia	Manufacturing & marketing of pharmaceutical products	AUD	55	6,250.3	271.0	82.8	94.7	100%	2,080.8	Subsidiary
SC Terapia SA	Romania	Manufacturing & marketing of pharmaceutical products	RON	885	32,845.7	10,547.1	1,471.4	1,432.3	97%	531.6	Subsidiary
Sun Pharma (Netherlands) B.V.	Netherlands	Holding Company	USD	0	8,136.3	8,768.0	1,446.9	(171.4)	100%	73,213.1	Subsidiary
JSC Biosintez	Russia	Manufacturing of pharmaceutical products	RUB	858	3,841.7	660.7	136.2	210.0	100%	0.3	Subsidiary
Sun Pharmaceuticals Holdings USA, Inc.	USA	Holding Company	USD	0	-	(279.5)	(36.6)	(33.1)	100%	-	Subsidiary
Foundation for Disease Elimination and Control of India	India	Not-for-profit company for CSR activities	INR	0	0.3	(0.1)	-	-	100%	0.1	Subsidiary
Zenotech Laboratories Limited	India	Manufacturing of pharmaceutical products	INR	280	395.5	41.9	52.6	(40.6)	69%	610.3	Subsidiary
Sun Pharma Distributors Limited	India	Distribution of pharmaceutical products	INR	19	1,92,812.1	4,594.6	1,174.2	1,114.3	100%	1.5	Subsidiary
Realstone Infra Limited	India	Subsidiary	INR	0	-	(86.2)	-	-	100%	2.5	Subsidiary
Sun Pharmaceuticals (EZ) Limited	Bangladesh	Manufacturing & marketing of pharmaceutical products	BDT	719	1,467.0	(199.9)	33.8	5.9	72%	46.1	Subsidiary
Sun Pharma (Shanghai) Co.,Ltd	China	Marketing of pharmaceutical products	RMB	17	111.6	(8.4)	-	(0.7)	100%	13.7	Subsidiary

(All financial numbers are in local currency in Million)

Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of March 31, 2026	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
Alchemee, LLC	USA	Manufacturing & marketing of OTC pharmaceutical products	USD	0	4,480.6	64.1	118.3	-	100%	-	Subsidiary
Proactiv YK	USA	Marketing of OTC pharmaceutical products	JPY	2	1,185.7	35.6	(10.3)	-	100%	-	Subsidiary
The Proactiv Company KK	USA	Subsidiary	JPY	21	-	17.0	12.8	-	100%	-	Subsidiary
The Proactiv Company Holdings, Inc.	USA	Holding Company	USD	0	-	-	-	-	100%	-	Subsidiary
Alchemee Skincare Corporation (Formerly known as The Proactiv Company Corporation)	USA	Marketing of OTC pharmaceutical products	USD	0	269.6	(16.7)	0.1	-	100%	-	Subsidiary
Concert Pharma Ireland Limited	Ireland	R&D	EUR	0	-	-	-	-	100%	0.0	Subsidiary
Taro Pharma Corporation, Inc.	USA	Marketing of OTC pharmaceutical products	USD	0	-	-	-	-	100%	0.0	Subsidiary
Vivaldis Health and Foods Private Limited	India	Business of Veterinary Medicines, Nutrition and Pet Care	INR	0	1,087.5	190.5	50.4	50.7	60%	4.3	Subsidiary
Sun Pharma Middle East FZ LLC	UAE	Marketing of pharmaceutical products	AED	5	157.0	(16.5)	(1.5)	-	100%	6.4	Subsidiary
Sun Pharma Community Healthcare Society	India	CSR Entity	INR	0	187.3	1.6	-	-	100%	-	Subsidiary

(All financial numbers are in local currency in Million)

Name of the Subsidiary Company	Country/Tax Jurisdiction	Primary Activity	Reporting Currency	Employees as of March 31, 2026	Revenue	Profit / (Loss) before Taxation	Income Tax accrued	Income Tax Paid	% Shareholding	Capital	Relationship
Sun Pharma Science Foundation	India	CSR Entity	INR	0	16.4	1.2	-	-	100%	-	Subsidiary
Sun Pharma Luxembourg S.A.(Formerly known as Valstar S.A.)	Luxembourg	Holding Company	EUR	0	-	(92.6)	0.5	-	100%	16.8	Subsidiary
Sun Pharmaceuticals North Africa SA (Formerly Known as Kemipharm)	Morocco	Manufacturing and marketing of pharmaceutical products	MAD	77	1,272.2	(330.5)	1.9	0.8	100%	2,469.5	Subsidiary
Sun Pharma (Hainan) Company Limited	China	Marketing of pharmaceutical products	RMB	0	-	(359.9)	-	38.0	100%	484.3	Subsidiary
Checkpoint Therapeutics Inc	USA	Marketing of pharmaceutical products	USD	0	246.9	(3,355.0)	(966.4)	-	100%	-	Subsidiary

Risk Management

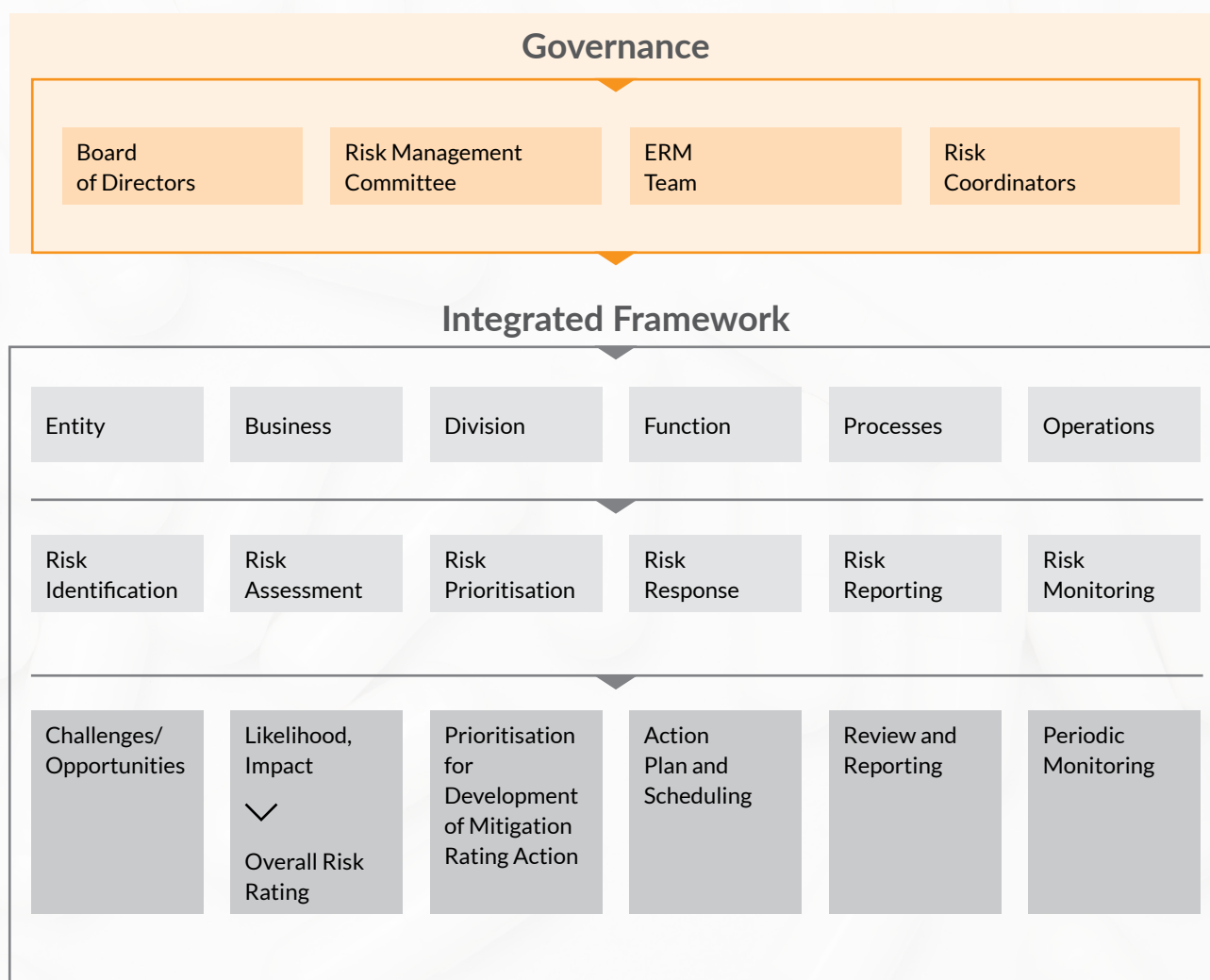
At Sun Pharma, risk management is deeply integrated with our corporate strategy. We focus on assessing, mitigating, and reducing risks while improving our risk management skills. Given our presence in multiple geographies globally, we face various uncertainties, including strategic, regulatory, financial, operational, and market risks.

We monitor, analyse and mitigate these risks through our Enterprise Risk Management (ERM) framework. Our risk governance mechanism and our integrated approach to risk management help us navigate current and emerging challenges, enabling us to achieve our business objectives with resilience and determination.

Our Enterprise Risk Management Framework

Our Enterprise Risk Management (ERM) framework forms the basis of our risk monitoring and response system, tailored to meet the needs of both internal and external stakeholders. We have incorporated valuable practices recommended by ISO 31000:2018 and the Treadway Commission's Committee of Sponsoring Organizations (COSO) to enhance our risk management processes and frameworks. The ERM framework, as shown below, applies to all our business units, subsidiaries, regions, and support functions.

Risk Governance Structure



Risk Management at Sun Pharma is a cross-functional, collaborative effort involving multiple departments to ensure a unified approach to identifying and managing risks. The Board of Directors, through the independent Risk Management Committee ("RMC"), oversees our Company's Enterprise Risk Management ("ERM") framework. The Committee reviews our Company's risk profile, risk appetite, and the effectiveness of risk mitigation strategies. The RMC is responsible for ensuring robust systems and processes are in place to monitor and evaluate business risks associated with our business, oversee the formulation and implementation of the Risk Management Policy, and assess system effectiveness. The RMC also undertakes quarterly reviews of the Enterprise Risk Management (ERM) framework and updates the Board on the evolving risk landscape and mitigation actions¹.

Our ERM team maintains and monitors the central Risk Register for all business and support functions. They are responsible for ensuring the adequacy of risk management processes and their implementation, and for the tracking of mitigation progress for significant risks. They collaborate closely with Risk Coordinators to ensure appropriate mitigation measures have been developed and implemented for each identified risk. Risk reports are regularly prepared by the team and submitted to the RMC.

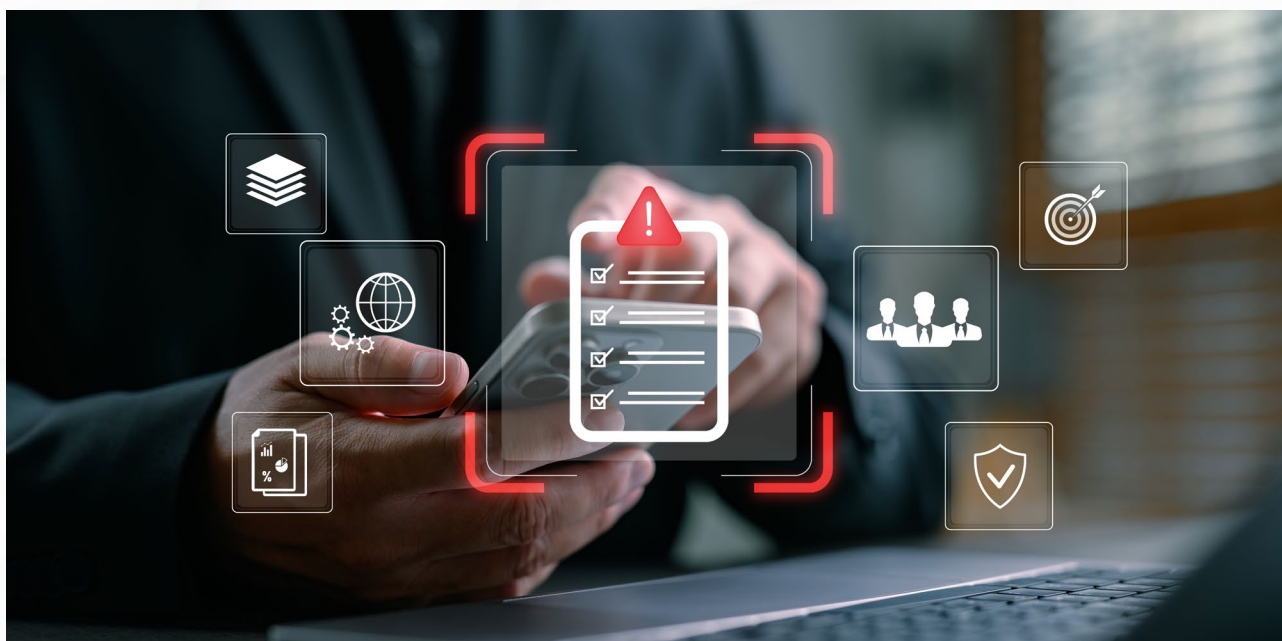
At the operational level, Risk Coordinators lead risk management activities across business and support functions. They regularly review the Risk Register to ensure comprehensive risk coverage and support functions in identifying, assessing, prioritizing, monitoring, and reporting risks. Risk Coordinators maintain direct oversight of ongoing risks, on the current status of all risks and track the progress of the implemented mitigation plan and

submit periodic findings and updates to our Enterprise Risk Management (ERM) team.

The Risk Coordinator is supported by Function Heads who act as the second line of operational risk management. Function heads have the primary responsibility to identify, assess and manage risks pertaining to their function. They undertake periodic meetings to monitor the trends and parameters of their responsibility area that impact our risk profile, communicate internally on findings and coordinate the updates to be made to our risk register. Regular review of business function risk registers is also undertaken to assess the need to include any new risks. Function Heads also evaluate the effectiveness of existing mitigation measures and implement additional actions for reduced risk exposure.

Our Internal Audit team, led by the 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.



¹ For detailed information about the roles and responsibilities of each stakeholder, please refer to the Company's synopsis of Enterprise Risk Management Policy available at: <https://sunpharma.com/wp-content/uploads/2024/07/2024-05-21-Risk-Management-Policy-Synopsis.pdf>

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 and aligned with our 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 the effectiveness of risk control measures and any additional risk control measure required, newly identified emerging risks, if any, ensuring a proactive dynamic risk management approach and transparency in viewing risks. Finally, through Risk Monitoring, our 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 our 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.



Risk Management: Key Risks

Following the management's extensive assessment, we have identified significant risks that may impact our business operations, financial performance, and overall success. Below are a summarised account of the key risks and the impact(s) that merit careful consideration of the organization's exposure to these risks. The list of mitigation actions is not exhaustive. It only indicates the comprehensive approach we take to manage the risks.

Sr. 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 our 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

Sr. 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 our 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 prioritize employee skill enhancement through continuous training and development opportunities.	Major	Remote/ Rare

Sr. 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 our Company's products become inaccessible or if expansion into new geographic markets is hindered.	• We prioritize building a robust and diversified product portfolio through improved cross-functional synergies, organizational 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 commercialization of complex generics and specialty products, among other priorities. • We emphasize 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 our 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 minimize any adverse environmental effect from our operations. We have adopted targets for waste management and water conservation. Our target is to achieve water neutrality by 2030. • 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

Sr. 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 our 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	• We have 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 maximize our energy usage, we are constantly looking for ways to lessen our dependence on fossil fuels in our operations.	Minor	Unlikely

Sr. 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, such as by assessing potential substitute sources for essential or non-replaceable raw materials. - The suppliers are required to abide by our Company's ESG requirements as part of the Supplier Code of Conduct. - We have 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 our Company concerning worker well-being and safety. This will have an effect on our 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

Sr. 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 our 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.	• We comply 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, in order to evaluate and measure safety parameters over a longer time horizon. • On certain projects we collaborate with academic institutions, research organizations, 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

Sr. 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 our 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 – Insignificant Formulation Business – Moderate	API Business– Likely Formulation Business – Possible

Sr. 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 our 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	Moderate	Possible

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 on an ongoing basis, at least once every three years to ensure timely mitigation and to avoid significant disruptions. These risks are identified based on their potential occurrence probability 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.



We present below two of the emerging risks identified:

Emerging Risk	Geopolitical Fragmentation	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, Russia, Bangladesh, and Ukraine—where our company has a presence—pose potential disruptions to business continuity and operational stability.	As a globally integrated pharmaceutical company, Sun Pharma is increasingly exposed to the challenge of escalating raw material costs. The rising prices of imported active pharmaceutical ingredients (APIs) and critical intermediates are 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. Alongside raw material inflation, 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 Sun Pharma'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.

Emerging Risk	Geopolitical Fragmentation	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, 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 reliance 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 appetite is essential for effective and proactive risk management.

To enhance awareness, we provide focused risk training to our employees, helping them understand potential risks and the importance of timely identification and reporting for effective mitigation. Our Information Technology Security Team and Company Secretary regularly disseminate information on various risks. We consistently strive to ensure that employees adhere to regulatory requirements.

As part of the familiarization program for Board Members, functional heads and senior executives deliver presentations to the Board on topics such as operations, functional overviews, business performance and opportunities, the risk management framework, and the regulatory landscape in which our Company operates. Being a pharmaceutical company, we also acknowledge the importance of integrating risk criteria into product development and approval processes. We have established a reliable global quality standard that equips users with critical information for managing risk throughout a product's lifecycle, from development to disposal.



Stakeholder Engagement and Materiality Assessment

Engaging Stakeholders, Aligning Priorities

Stakeholder engagement is fundamental to our business, enabling consistent and ongoing dialogue across all levels. Our dedicated functional teams regularly interact with stakeholders both internal and external, to build and nurture long-term relationships. We actively seek stakeholder input on Environmental, Social, and Governance (ESG) matters through surveys and consultations. By involving them in the ESG materiality assessment process, we ensure their insights shape 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 stakeholder's base is diverse, encompassing both internal and external entities such as shareholders, regulators, suppliers, third-party manufacturers, non-governmental organizations (NGOs), local communities, customers, patients, employees, and our senior leadership.



Insights into Our Stakeholder Engagement Approach

Stakeholder Group	Modes of Engagement	Key Themes	Our Approach
Investors/ Shareholders	- Financial Performance Reporting and Earnings Calls - Investor Conferences - Event-driven Press Releases - Investor Presentations	- Corporate Governance - ESG Disclosures - Regulatory Compliance - Product Responsibility - Cost Competitiveness	- Our governance procedures are firmly grounded in our business principles. We promote transparency by providing disclosures through annual reports, sustainability reports, and investor presentations - Dedicated teams such as the quality management and pharmacovigilance unit collaborate closely to uphold product quality and safety. - We emphasize operational excellence and have implemented initiatives covering production and supply chain efficiency.
Regulators	- In-person meetings - Emails	- Regulatory compliance - Community engagement - Rural market penetration - De-risk supply chain	- Ensure adherence to regulatory requirements, establish robust SOPs, and implement remedial actions to prevent non-compliance. - Community development initiatives tailored to address specific community needs. - Formulate a comprehensive strategy to foster a responsible supply chain and evaluate alternate suppliers wherever possible
Suppliers/vendors/ Third-party manufacturers	- Vendor meets - Virtual modes such as email or telephone - Assessments	- Timely payments - Collaboration	- Monitor and facilitate prompt payments, implement digital tools. - Promote vendor engagement based on specific needs and requirements to ensure optimal collaboration and mutually beneficial relationships. - Conduct ESG assessments of suppliers to manage and mitigate potential risks
NGOs	- In-person meetings - Virtual modes such as email or telephone	- Employee volunteering - Agile decision making	- We actively facilitate and encourage employee volunteerism through various programs and initiatives - We continuously enhance our CSR management system to address the evolving community needs - Our CSR projects are aligned with the United Nations Sustainable Development Goals (SDGs), ensuring that our efforts contribute to these global objectives

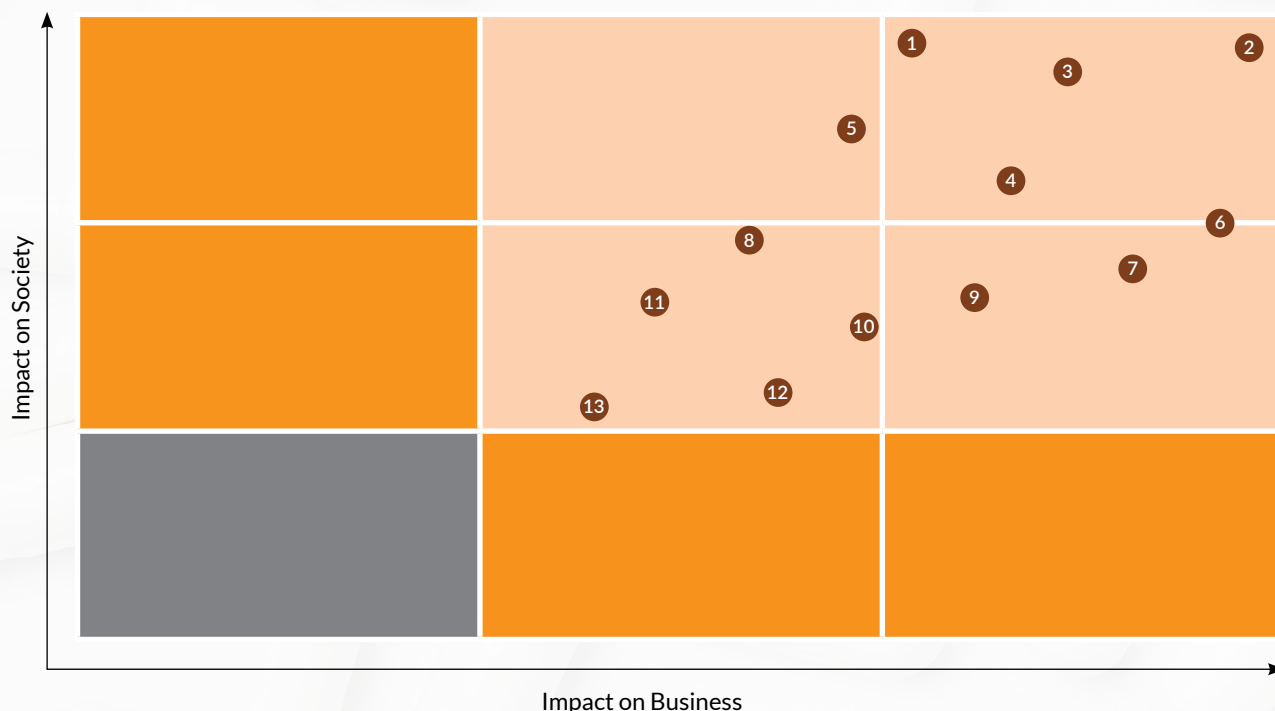
Stakeholder Group	Modes of Engagement	Key Themes	Our Approach
Community	• In-person meetings • Engagement through our NGO partners	Community development programs with a specific focus on: • Healthcare • Education • Water & sanitation • Rural development • Environmental conservation	• Community development activities are implemented after conducting a thorough needs assessments. • To address any grievances from the community, we have established both formal and informal communication channels, ensuring effective redressal of concerns raised by community members
Customers/ Patients	• In-person meetings • Emails • Customer feedback	• Product quality, access, and pricing	• Ensure safety and efficacy of our products through a robust Quality Management System (QMS). • We have a strong pharmacovigilance mechanism to record and address product complaints • We offer patient assistance programs, reimbursement support and cost-saving Programs for certain products to make them more affordable to patients
Employees	• Employee-focused web portals • Emails • Employee engagement surveys • Town halls	• Training, professional growth and development • Well-being initiatives • Employee recognition • Fair remuneration • Work-life balance	• Implement personalized employee learning and development initiatives tailored to individual needs and skill sets. • Create and implement initiatives that recognize and value employee contributions • Maintain a bi-annual appraisal process and foster an open feedback culture to facilitate constructive dialogue and employee growth opportunities. • Promote active employee engagement through various initiatives, encouraging involvement, collaboration, and a sense of ownership within the organization.
Senior leadership	• In-person meetings • Virtual modes such as email or telephone	• Sustainable and resilient business operations • R&D and Innovation	• Conduct regular reviews of our business strategy, considering market dynamics and incorporating valuable inputs from stakeholders. • Leverage emerging technologies to stay ahead of innovation and continually enhance our R&D capabilities.

Assessing Materiality: Evaluating Impact and Importance

Guided by the principles of double materiality, the materiality assessment exercise aimed to reflect the evolving priorities of our stakeholders and align them with our strategic objectives. This approach enables us to proactively address key Environmental, Social, and Governance (ESG) challenges, thereby fostering sustainable value creation for all our stakeholders. During the year, we reviewed material topics based on their impact on both business performance and broader societal or environmental outcomes. We have actively engaged our Board, through the Corporate Governance and ESG Committee, through focused reviews and discussions on our 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. Our materiality assessment process is verified by a third-party assurance provider.

Materiality Mapping

The materiality assessment is conducted/reviewed once every 2 or more years, with 13 high-priority material topics identified through the process during the last assessment, which were important to the Sector as well as to our stakeholders. For the identified material sustainability topics, each designated team has developed clear strategy and action plans along with responsibility to achieve desired outcome.



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. For further details on Materiality Assessment and management approach please refer: [Sun Pharma Annual Report FY2026](#) on page 110 of 344.

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, increased accessibility and sustaining a competitive advantage. R&D plays a pivotal role in pioneering non-infringing processes, 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.
Business Impact 	Revenue and Diversified product portfolio
Business Strategy 	We make significant investment in R&D efforts for 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 2,700 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 300billion 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 	2027
Progress 	6.1% of revenues invested in R&D for the reporting year 29 Innovative products in our Innovative Medicines portfolio; 400+ API products across diverse therapeutic segments.
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 climate change impact may expose our Company to climate-related physical and transition risks, potentially disrupting operations and impacting business continuity. • Potential physical risks to our operations may result in asset impairments leading to business interruptions, revenue loss and restoration costs. Transition risks associated with climate change may lead to more stringent regulations across the globe, 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 through carbon markets, including costs associated with carbon taxes or pricing mechanisms. • Failure to manage the product-level greenhouse gas (GHG) footprint may potentially limit our access to Climate conscious customers.
Business Impact 	Risk: Physical and Transitional risks.
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 biomass and 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.
Target 	Reduction of absolute GHG emissions by 35% (Scope 1 and Scope 2) by 2030 compared to baseline year of 2020.
Target Year 	2030
Progress 	15.86% reduction achieved in the reporting year compared to the baseline year 2020. The reduction percentage has been calculated accounting for increase in coverage of total sites from 79% to 84%.
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 	Water Resource Management
Business Case 	Efficient water management is critical for us 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 us to risks such as water scarcity, volatile water pricing, and potential disruptions to business operations.
Business Impact 	Risk: Potential production and revenue loss, Potential community conflict
Business Strategy 	We remain committed to identifying and implementing opportunities for improved water management. We maintain close oversight of our water use, performance and actively encourage responsible consumption practices, with a focus on minimizing withdrawals and maximizing water recovery. We also have diversified on source of the water and focussing on ZERO liquid discharge for efficient use of water at the manufacturing locations. 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.
Target 	Managing water risk at watershed level and become water-positive by 2030
Target Year 	2030
Progress 	Reduction of 16.05% in the reporting year compared to 2020 .The reduction percentage has been calculated accounting for increase in coverage of total sites from 79% to 84%.
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
Material Issue	Environmental Impact Management- Climate Adaptability
Cause of the impact	Operations, Products/Services and Supply Chain
Business Activity Coverage	More than 50% of business activity
External stakeholder(s)/ impact area(s) evaluated	Environment, Society, End-users and External Employees
Topic relevance on external stakeholders	Water scarcity is the most widespread nature-related financial risk, with estimated annual corporate losses of USD 485 billion. nearly 4 billion people experiencing severe water scarcity at least one month per year and 700 million people potentially displaced by 2030. At Sun, we are committed to becoming water positive by 2030, with a strategic focus on sustainable water management guided by principles of Reduce, Reuse, Recycle, and Recharge (4Rs). Our approach prioritizes reducing reliance on groundwater, especially in water-stressed regions, and enhancing water efficiency across operations. We conduct regular site water assessments and water balancing exercises to identify opportunities for improving water efficiency and conservation at our operations.
Type of impact	Positive
Output Metric	1. Total Water Storage Capacity created 2. Number of individuals benefitted
Impact Valuation	Improved water availability in drought prone regions
Impact Metric	1. 9.25 million KL of cumulative water storage capacity created 2. 45,135 individuals benefitted

Indicator	Material Issue
Material Issue	Access to and Affordability of Medicines
Cause of the impact	Operations, Products/Services and Supply Chain
Business Activity Coverage	More than 50% of business activity
External stakeholder(s)/ impact area(s) evaluated	Environment, Society, End-users and External Employees
Topic relevance on external stakeholders	According to WHO, upto 2 billion people lack access to necessary medicines and health products. It also elaborates on the importance of HCP trainings to improve diagnosis, and reduce inappropriate medicine use. As a major specialty generics manufacturer with 100 countries served annually and about 80+ emerging markets with established operations, we continuously strive to increase accessibility and also reach patients in LDCs. 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 especially 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 - Number of HCPs reached for improved awareness and enhancing accessibility
Impact Valuation	Improved health and quality of life of patients
Impact Metric	- Number of patients reached globally in FY2026: 2,18,897 - Around 121 medical programs were conducted, and 38,006 HCPs were educated in India alone through our long-term programs, partnerships and activities.

Indicator	Material Issue
Material Issue	Environmental Impact Management- Waste Management
Cause of the impact	Operations, Products/Services and Supply Chain
Business Activity Coverage	More than 50% of business activity
External stakeholder(s)/ impact area(s) evaluated	Environment, Society, End-users and External Employees
Topic relevance on external stakeholders	Pharmaceutical waste generated may consist of hazardous chemicals, solvents, etc. which if inadequately treated or disposed of, may contaminate the soil, water and expose surrounding communities and ecosystems to toxic substances. At Sun, we prioritize recycling and alternative methods such as co processing to reduce landfill disposal. In FY2026, approximately, 37.93% of hazardous waste disposed was co-processed.
Type of impact	Positive and Negative
Output Metric	Total waste diverted from landfill
Impact Valuation	Reduction in total waste sent to landfill
Impact Metric	73.24% of our waste was diverted from landfill and was either recycled, reused or co-processed of the total waste.

Product Quality and Safety

Access to safe and effective medicines is crucial for universal healthcare coverage. We are committed to providing high-quality medications to patients and healthcare professionals worldwide.



Patient Safety & Product Quality

In the pharmaceutical industry, product quality is essential to ensuring safe and effective medicines while maintaining stakeholder confidence. Research indicates that advanced quality practices can accelerate time-to-market by more than 30% and increase manufacturing and supply chain capacity by 20-30%, demonstrating the strong link between quality, operational performance, and patient outcomes.

At Sun Pharma, quality management is both a responsibility and a commitment. We recognize that taking a proactive approach to quality creates value far beyond regulatory compliance, by contributing to operational excellence, product reliability, and better patient outcomes. Guided by this commitment, we work to ensure that patients and

healthcare professionals around the world have access to high-quality medicines they can trust. 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. Failure to comply can lead to warnings and penalties from regulatory bodies, potentially diminishing our brand value and stakeholder perception. Hence, it is imperative that we strive to meet all quality and regulatory standards and closely oversee product safety.

Patient Safety

We carry out thorough evaluations and quality assurance measures to uphold product quality standards and adhere to all regulations. Swift detection and resolution of potential health and safety risks are crucial for maintaining product quality, protecting patient safety, and fostering trust with our stakeholders. We consistently evaluate the risk-benefit profile of our products by following international quality and regulatory compliance standards and closely monitoring product safety.

Product Quality

Our 'Quality Organization Vision' is to globalize, harmonize and simplify GxP processes to ensure a sustainable quality culture. At Sun Pharma, we work towards continuous improvement of our Quality Management System, including all its elements and employ state-of-the-art electronic systems. We are building and maintaining a strong culture of quality through the ongoing development, training, and empowerment of our personnel. We believe that producing safe and high-quality products is everyone's responsibility.

We prioritize employee development, empowerment, and training to cultivate a culture that emphasizes product quality. Through our 'Quality Vision,' we have developed a comprehensive quality management approach, aligning our global Quality Management System (QMS) with industry best practices and assurance processes.

Our quality standards encompass procurement, product distribution, stakeholder complaint management, investigations, and corrective and preventive actions. Our dedicated quality management team is committed to maintaining strict adherence to quality and safety standards. Our strategy emphasizes sustainable quality design, data governance, process harmonisation, and the implementation of global quality metrics.



Programs to ensure Product Quality

At Sun Pharma, we have multiple programs and approaches to ensure Product Quality and product safety.

- **Processes to prevent or address defective products before delivering them to customers to avoid product recalls:** Sun Pharma has implemented a comprehensive Global Quality Management System (QMS) to ensure that only safe, effective, and high-quality products reach customers. Sun Pharma's QMS is globally harmonized and includes robust documentation practices, electronic systems for quality data governance, and continuous improvement mechanisms. Our approach integrates preventive, corrective, and continuous improvement measures across all stages of the product lifecycle.

Key Processes to prevent or address defective products before delivery to customers include:

1. **Quality by Design (QbD):** Quality is built into the product from the development stage, not just tested at the end.
2. **Efficient Manufacturing Operations:** Sun Pharma ensures manufacturing efficiency through a robust production planning system, validated processes, qualified/calibrated equipment/instruments and supply chain.
3. **Robust Quality Assurance Systems:**
 - a) **Raw Material and Packaging Material Testing and Release:** Sun Pharma conducts rigorous testing of all raw materials and packaging components before their release for manufacturing. These materials undergo sampling, inspection, and compliance checks aligned with Good Manufacturing Practices (GMP) and regulatory standards to ensure product safety and quality.
 - b) **In-Process and Finished Goods Testing and Release:** Sun Pharma ensures product quality through stringent in-process testing, IPQA monitoring, and finished goods testing at multiple stages of manufacturing. These checks are aligned with global regulatory standards and are designed to detect and prevent deviations, ensuring that only compliant and safe products are released to the market
 - c) **Acceptable Quality Level (AQL) Concept:** Sun Pharma applies the AQL concept as part of its quality assurance framework to statistically determine the acceptable threshold for defects in a batch. This ensures that only products meeting pre-defined quality standards are released, supporting consistent compliance with global regulatory requirements and minimizing risk to patient safety
- d) **Change Management:** Sun Pharma's Change Management is a core component of its Global Quality Management System (QMS), ensuring that any modifications to processes, materials, or systems are systematically evaluated, documented, and implemented with minimal risk. This structured approach supports compliance, product quality, and patient safety across all operations
- e) **Stability Management:** Sun Pharma conducts stability testing as part of its comprehensive Quality Management System to ensure that finished products maintain their safety, efficacy, and quality throughout their shelf life. These tests are aligned with regulatory specifications and market requirements, helping prevent deviations and ensure compliance
- f) **Out of Specification (OOS)/Out of Trend (OOT) Results Management:** Sun Pharma follows a structured approach to investigate and manage OOS/OOT results through root cause analysis, documentation, and CAPA implementation. These processes are governed by SOPs and integrated into the Quality Management System to ensure compliance and product integrity
- g) **Corrective and Preventive Actions (CAPA) Process:** A structured CAPA system addresses root causes of quality issues and prevents recurrence.
- h) **Product Quality Complaint Management:** All complaints are logged, assessed, investigated, and resolved with follow-up actions and communication to the complainant.
4. **Training and Documentation Control:** Employees are trained through instructor-led and electronic modules, and documentation is controlled and versioned.
5. **Regulatory Compliance and Inspections:** Facilities undergo regular audits and inspections by global regulatory bodies such as USFDA, EMA, Health Canada.
6. **Continuous Improvement:** Regular internal audits, shared learning mechanisms and employee training programs uphold best-in-class manufacturing standards.
7. **Recall Readiness:** A defined recall process is in place, including risk and impact assessment, preparation of recall proposal including recall strategy, and communication protocols.

These systems ensure early detection and resolution of quality issues, significantly reducing the likelihood of

product recalls and reinforcing Sun Pharma's commitment to patient safety and regulatory compliance.

- **Integration of emerging technologies to enhance product quality:** Sun Pharma integrates digital and emerging technologies into its Quality Management System to strengthen product quality, compliance, process capability, and patient safety. Our approach is governed through validated systems, quality risk management, data integrity controls, change management, and periodic review of processes to ensure that technology adoption supports regulatory expectations and continuous improvement.
 - » Key technology-enabled quality initiatives include use of LIMS for laboratory sample, specification, method and test management, SAP based programs for controlled material-code creation and maintenance, enterprise process integration; Electronic Document Management Systems (EDMS) for lifecycle management of GxP documents, and TrackWise for quality management processes such as change management, variation management, deviation management, product quality complaint management, product recall management, Out of Specification / Out of Trend results management, investigation management, internal and corporate quality audit management, regulatory inspection management, CAPA management.
 - » Additionally, Sun Pharma is implementing advanced digital platforms such as electronic Annual Product Quality Review (eAPQR) systems and Manufacturing Execution Systems (MES), which are currently under progress, to further enhance data integration, review efficiency, and manufacturing control. The recent implementation of a Quality Dashboard integrated with AI chatbot capabilities further strengthens real-time monitoring, analytics, and decision-making.
 - » Sun Pharma also applies statistical and data-driven methods to monitor product and process performance.

These technologies help to improve product quality by enabling better data visibility, faster quality-event handling, standardized documentation, improved traceability, and more informed risk-based decisions. This is aligned with Sun Pharma's commitment that all products manufactured and/or distributed consistently meet approved specifications and are safe and effective for patients.

- **Quantitative targets to improve product quality performance:** Sun Pharma has established quantitative quality objectives and performance indicators to monitor and improve product quality across its manufacturing and quality systems. Key quality system performance indicators are trended and analyzed

at various levels to verify the continuing suitability and effectiveness of existing quality systems and procedures, and actions are implemented based on identified trends.

These targets are reviewed through management review and continual improvement processes. Quality performance improvement is driven through Annual Product Review / Product Quality Review; complaint, deviation and out-of-specification results trend monitoring; product rejection and non-conformance reviews; CAPA effectiveness, addressal of audit and inspection findings, supplier quality performance oversight, and process capability monitoring. Feedback from internal and external sources such as complaints, recalls, product rejections, non-conformances, self-inspections, external audits and regulatory inspections is used as an input for improving quality systems.



Quantitative quality objectives and performance indicators are taken across the manufacturing and quality systems:

Defect reduction targets	Dosage form specific, defect reduction targets governed through Quality Metrics Monitoring mechanism exists for critical quality events such as deviations, OOS / OOT results, product complaints, batch rejections, recalls, repeat deviations, recurring OOS results, CAPA effectiveness, etc.
Process efficiency targets	Process Efficiency targets governed through Quality Metrics Monitoring mechanism exist for timely closure of deviations, investigations, CAPAs, change controls, complaints, APR/ PQR, batch record review and other quality-system processes. Recall initiation efficiency targets are also defined. Process capability and trend data are used to identify improvement opportunities.
Supplier Quality Targets	Targets are established for supplier qualification, supplier audit completion, supplier-related deviations / complaints, timely closure of supplier CAPAs and reduction of supplier-attributable quality issues.
Standards	Targets are aligned with applicable GxP requirements, Sun Pharma Global Quality Manual, Global Quality Policies / Standards / SOPs, regulatory commitments and approved product specifications. Sun Pharma's quality commitment is to ensure that products consistently meet approved specifications and are safe and effective for patients.
Product Reliability	Targets are monitored through complaint trends, product rejection trends, recalls, stability performance, APR / PQR outcomes, process capability and continued process verification, where applicable.
Continuous Improvement	Quality KPIs are periodically trended and reviewed by management. Corrective and preventive actions are implemented based on trends, investigations, audits, complaints, recalls, deviations and product-quality performance, leading to product and process improvements.

- **Internal audits of the quality management system:** Sun Pharmaceutical Industries Limited has established a comprehensive internal audit framework as an integral part of its Global Quality Management System (QMS).

- a) Internal Audit/Self Inspection Program/ Corporate Quality Audit Program: Each site implements a structured internal audit program, where cross-functional teams perform internal audits according to an approved schedule. Additionally, periodic and 'for-cause' audits of all manufacturing facilities are conducted by the Corporate Quality Audit team.
- b) Audit Approach: All audits are based on the Six Quality Systems (6QS) based, focusing on compliance with Good Manufacturing Practices (GMP) and data integrity requirements. These audits help to identify system gaps and drive the implementation of corrective and preventive actions (CAPA).
- c) Continuous Improvement and Risk Mitigation: The audit process supports ongoing improvement initiatives, strengthens risk management, and ensures alignment with global regulatory expectations.
- d) Governance: The internal audit function acts as an additional line of defence, reinforcing operational effectiveness and quality governance across the organization.

- **Independent external verification of the quality management system:** Sun Pharmaceutical Industries Limited undergoes independent external verification of its Quality Management System (QMS) through certifications and inspections by globally recognized regulatory and standards organizations.

1. Regulatory Inspections: Manufacturing facilities are regularly inspected by major international regulatory bodies, including but not limited to:
 - a) US FDA (United States Food and Drug Administration)
 - b) EMA (European Medicines Agency)
 - c) UK MHRA (UK Medicines and Healthcare products Regulatory Agency)
 - d) PMDA (Pharmaceuticals and Medical Devices Agency, Japan)
 - e) Health Canada
 - f) TGA, Australia
 - g) Anvisa, Brazil
 - h) Central Drugs Standard Control Organization (CDSCO) of India

These inspections ensure compliance with current Good Manufacturing Practices (cGMP) and other country-specific regulations.

- **Training for internal stakeholders on their roles related to the quality management system:** Sun Pharmaceutical Industries Limited maintains a structured and comprehensive training program to ensure effective implementation of its Quality Management System (QMS) and sustained regulatory compliance. We have a robust Training Program managed by a dedicated team, and the program includes:
 - » Instructor-led and e-learning modules via Learning Management Systems (LMS)
 - » Job-specific training for employees involved in GxP activities
 - » Pharmacovigilance courses
 - » Investigator and Auditor Qualification courses

Training content is regularly updated to align with evolving regulatory standards and internal audit findings. Sun Pharma promotes a proactive learning environment through its “Lessons Learned” strategy, which helps identify gaps, mitigate risks, and prevent recurrence of quality issues.

- » This structured approach ensures that all personnel are well-equipped to uphold product quality, safety, and regulatory compliance across the organization.

- **Requirements for supplier adherence to our company’s product and service quality standards:** Sun Pharmaceutical Industries Limited has established requirements for supplier adherence to our company’s product and service quality standards through its vendor management process. The process ensures that materials procured from vendors are manufactured, packaged, tested, and shipped in accordance with applicable GxP requirements and under controlled processes to consistently meet Sun Pharma quality requirements.

Supplier adherence is ensured through defined controls such as vendor qualification, review of vendor technical documents, sample evaluation against approved specifications, vendor audits, quality agreements, re-qualification, process for management of vendor-related changes, quality score evaluation, annual risk assessment, and processes for vendor suspension or discontinuation, where applicable. Quality agreements and contractual/technical requirements define the responsibilities and quality expectations between Sun Pharma and the vendor, supporting consistent performance, reliability, safety, and compliance with applicable regulatory and company quality standards.

- **Sun Pharmaceutical Industries Limited provides multiple channels for external stakeholders to report product quality issues:**

- » **Online Complaint Reporting Form:** Stakeholders can submit detailed complaints through the Product Quality Complaint Form available on Sun Pharma’s official website. This form allows users to describe the issue, attach relevant documentation, and request follow-up.
- » **Third Party Complaint Service Providers:** In few countries of distribution, Sun Pharma has hired contract service providers for intake of complaints.
- » **Social Media Channels:** Sun Pharma maintains active profiles on platforms such as Facebook, X (formerly Twitter), Instagram, and LinkedIn, where stakeholders can cite concerns related to Sun Pharma products. While these platforms are not the primary complaint intake channels, they are monitored and can be used to initiate contact or escalate unresolved issues.

Pharmacovigilance at Sun Pharma

Our Pharmacovigilance team takes a proactive stance on Product Safety and quality related risk mitigation. Our system persistently tracks product safety and promptly responds to any adverse events. Our pharmacovigilance team consists of approximately 100 skilled professionals, such as physicians and scientists is dedicated to contingency planning, mitigation and resolution of adverse events to improve quality control, workforce training, and patient safety. Using advanced IT solutions for efficient data processing, they manage Adverse Drug Reaction (ADR) cases, expedited reporting, risk management, safety signal management, and the consolidation of safety data into a centralised database for reporting to global regulatory authorities.

The Product Safety Committee supervises pharmacovigilance processes to ensure standards compliance, addresses safety issues, and establishes necessary remedial actions. The Product Safety Committee backs our Global Pharmacovigilance Policy, while the Independent Pharmacovigilance Quality Assurance team reports directly to the Chief Quality Officer. Our Chief Quality Officer oversees an independent pharmacovigilance quality audit, based on a five-year strategy and annual plan. We also undergo regular inspections from regulatory bodies like the US Food and Drug Administration (US FDA), European Medicines Agency (EMA), UK Medicines and Healthcare products Regulatory Agency (UK MHRA), Health Canada (HC), Japan’s Pharmaceuticals & Medical Devices Agency (PMDA), and others to ensure compliance.

Product Quality Complaint & Recall Management Process

Sun Pharma's Global Standard Operating Procedure (GSOP) on Product Quality Complaint Management entails a meticulous approach for addressing of product quality complaints. Upon receiving a complaint, it is documented in the system and undergoes an initial evaluation. We conduct a preliminary assessment followed by an investigation. Based on the findings and root cause analysis, we implement Corrective and Preventive Actions (CAPA) to address the identified issues. A response is then provided to the complainant, ensuring clear communication and resolution of the issue.

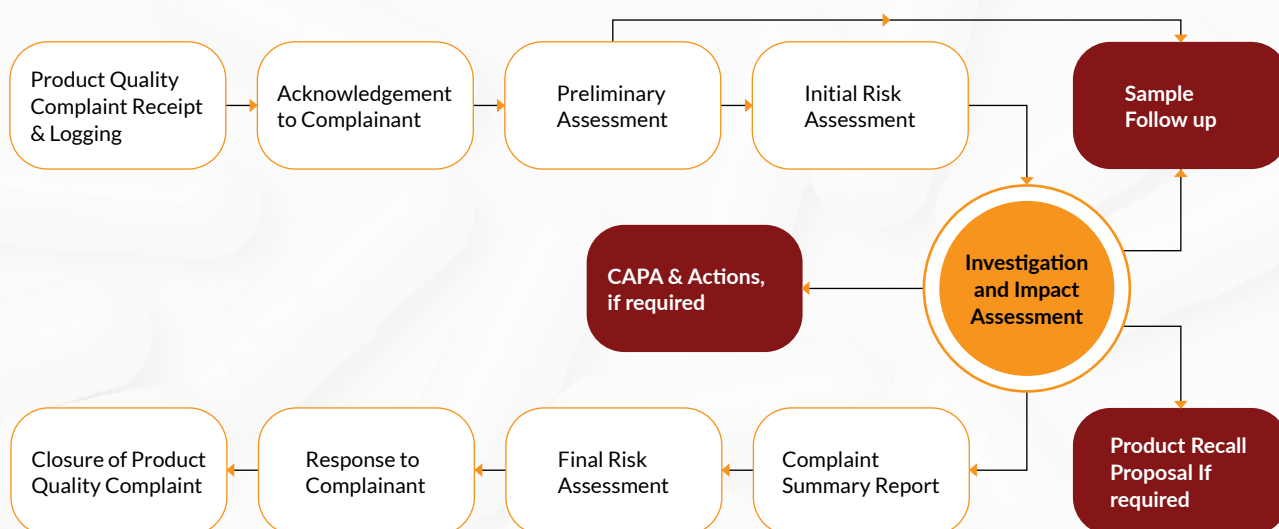
Our GSOP on Product Recall Management provides requirements for managing product recalls and outlines the conditions that warrant such actions. The recall

Global Standard Operating Procedure (GSOP)

on Product Quality Complaint Management

process involves a Global Recall Committee reviewing recommendations from the Site Recall Committee, processing the recall proposal, issuing recall notifications, closure of the recall and trend analysis. The entire recall process of redressal of product quality-related complaints has been provided below.

Process of Redressal of Product Quality-related Complaints



Number of Product Recalls over the years

	FY2023	FY2024	FY2025	FY2026
Number of Class I recalls (or equivalent)	1	0	0	0
Total value of recalled products in USD millions	0.53	0	0	0

	FY2023	FY2024	FY2025	FY2026
Number of Class II recalls (or equivalent)	33	20	20	48
Total value of recalled products in USD millions	0.69	0.22	1.46	2.20

In FY2026, we investigated and closed 67.50% of the reported cases for Class 2 recalls, up from 39.08% in the previous FY2025, demonstrating stronger case resolution processes and closer regulatory follow throughs. Additionally, all our facilities undergo regular audits and

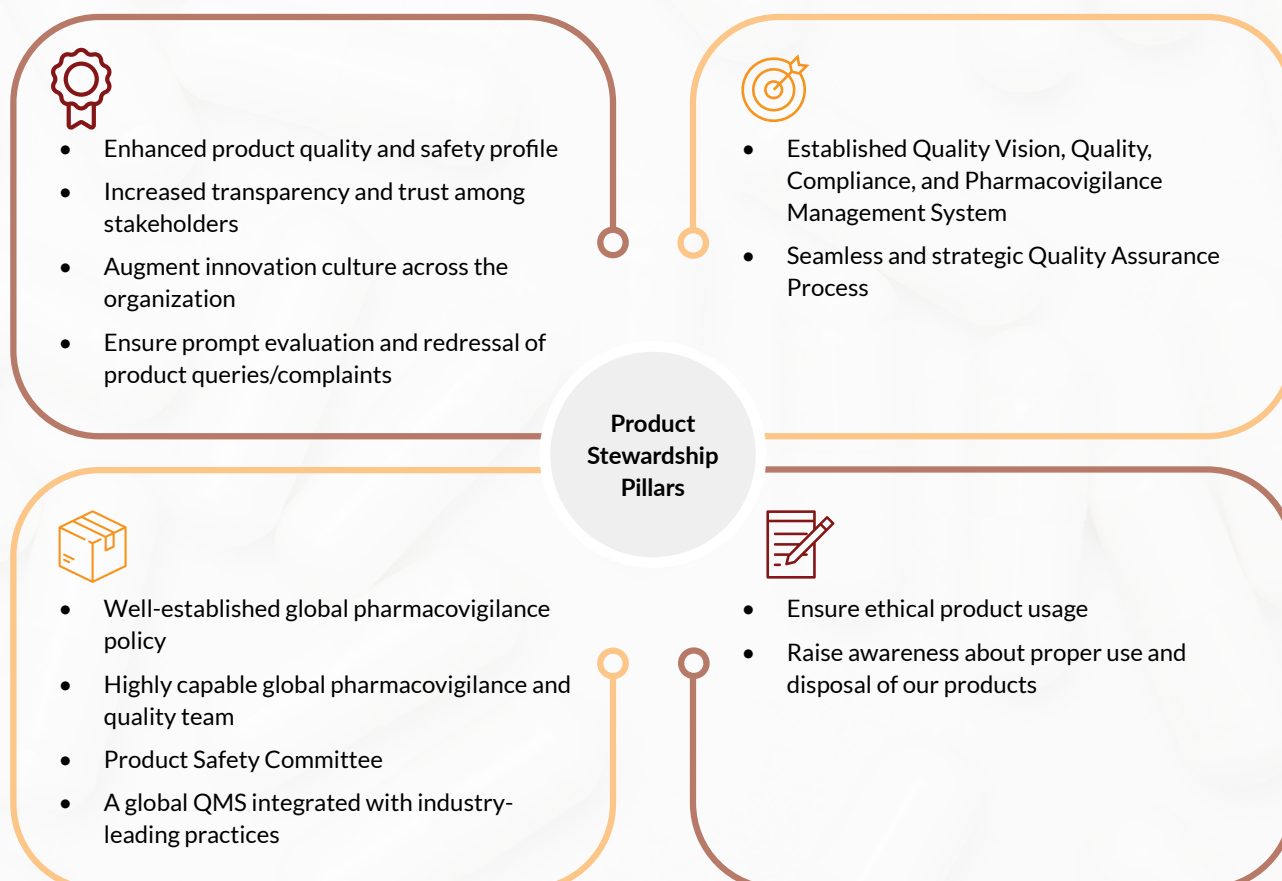
inspections by global regulatory bodies such as USFDA, EMA, Health Canada. We have been subjected to 51 inspections by regulatory agencies like USFDA, UK MHRA, EMA, PMDA and others in the current FY2026.

Regulatory Agency Inspections	FY2023	FY2024	FY2025	FY2026
Number of Inspections	49	48	50	51

Form 483 Observations (or equivalent)	FY2023	FY2024	FY2025	FY2026
Number of Form 483 Observations (or equivalent)	19	11	4	20
Annual revenues generated from the affected facilities in USD millions.	677.93	392.33	1.66	383.13
Annual revenues impacted by production stoppages in USD millions.	0	0	0	0

FDA Warning Letters (or equivalent)	FY2023	FY2024	FY2025	FY2026
Number of FDA Warning Letters (or equivalent)	1	0	1	0
Annual revenues generated from the affected facilities	327.78	0	244.81	0.00

Foundational Pillars of Product Stewardship



Anti-counterfeit Measures

- **Awareness and Processes:** We are committed to raising awareness about the risks of counterfeit medicines in affected markets by implementing an effective anti-counterfeit governance management system. A dedicated task force has been established to manage these threats and improve safety. This task force ensures seamless monitoring of counterfeit medicines for enhanced safety and security through our trace-and-track technology and complaint management system.

- **Governance Mechanism:** The trademark and learning and development (L&D) teams train the entire field force for identifying and reporting counterfeit medicines.

A designated task force of senior field personnel is trained to identify counterfeit medications, supported by a trained field team for detection and reporting on counterfeit medicines. The identification process is linked with associated KPIs.

- **Management System:**

- » Feedback mechanism in place to receive complaints from the complainant and marketing representatives.
- » Prompt reporting of complaints and queries relevant to counterfeit products to concerned regulatory authorities.
- » Trace-and-track technology to detect and prevent sale of counterfeit products.
- » Improving product packaging for easy distinction between genuine and counterfeit medicines. We continually strive towards standardised and unique packaging to mitigate counterfeit risk.
- » Well-established complaint management system for seamless management of suspected cases of counterfeit products.



Research and Development

Our Research and Development (R&D) expertise reinforces our commitment to developing innovative, safe and effective products that cater to the unmet medical needs of patients across the globe. A strong team of 2,700+ R&D professionals along with our chemistry and technological skills help us in developing a strong pipeline of specialty and complex generic products. Our R&D capabilities extend across various dosage forms, including injectables, orals, liquids, ointments, gels, sprays, hormones, and oral products. Our R&D centres undergo regular audits by multiple international regulatory authorities, ensuring compliance with stringent quality and regulatory standards. In addition to our internal efforts, we also collaborate with academia and industry experts to enhance our R&D capabilities.

INR 335+ Billion

Cumulative R&D expenditure till date (till FY2026)

R&D Investments (in Billion)

	FY2023	FY2024	FY2025	FY2026
R&D investments (in INR Billion)	23.7	31.8	32.5	35.5
R&D investments (% of sales)	5.5%	6.7%	6.2%	6.1%

Intellectual Property

Our intellectual property team is skilled in chemistry, formulation sciences, biologics, analytical techniques, and global patent practices involving patent prosecutions and litigations across global markets. As of March 31, 2026, our patent portfolio includes 3303 filed patents and 2542 granted patents, demonstrating our steadfast dedication to innovation and the integration of cutting-edge science to improve access to medicines.

FY2026 R&D Highlights

INR 335+ Billion Cumulative R&D expenditure till date

Developed and filed **~300** product dossiers globally

Our R&D Approach and Capabilities

Enablers

- Significant investments in R&D with focus on developing specialty, complex generics, APIs, and process improvement.
- Dedicated R&D team of 2,700+ professionals with state-of-the-art R&D infrastructure
- Compliant with global regulatory standards for maintaining high-quality.

- Aim to create new technologies such as using green reagents in API synthesis, applying Process Analytical Technology (PAT) tools, and executing advanced processing techniques.
- Comprehensive product life cycle management with backward integration for key products.
- Enhancing operational efficiency using Quality by Design (QbD) framework and Six Sigma methodologies.
- Development of innovative compact dosage forms with enhanced stability and decreased pharmacokinetic variability.
- Expansion of product portfolio to cater to the evolving needs of patients

Capabilities

- Capability to develop various dosage such as orals, liquids, ointments, gels, sprays, and injectables
- Biological capabilities, chemistry skills, and new drug development capabilities
- Capability to develop non-infringing formulations and specialty/complex products
- Broad product portfolio covering multiple therapeutic segments catering to diverse patient needs
- Competencies to undertake clinical studies for specialty products and complex generics.

Our Specialty R&D Pipeline

Innovative Medicines Pipeline

Candidate	Mechanism of Action	Indication	Preclinical	Phase 1	Phase 2	Phase 3	Registration
Ilumya	IL-23 Antagonist	Psoriatic arthritis	→	→	→	→	→
Fibromun	Innovative anti-cancer immunotherapy	Soft tissue sarcoma	→	→	→		
		Glioblastoma	→	→	→		
Nidlegly™	Immunocytokines	Locally advanced melanoma	→	→	→	→	
		Locally advanced BCC/cSCC	→	→	→		
GLO034	GLP-1R Agonist	Type 2 diabetes	→	→	→		
Candidate for Partnering							
MM-II	Liposomal intra-articular lubrication	Pain in osteoarthritis	→	→	→		

All candidates are for global markets except Nidlegly™, where Sun is the commercial partner for Europe, Australia, and New Zealand. Nidlegly™ is a trademark of Philogen.

Ethical Clinical Trials

Clinical Trials

Sun Pharma is committed to developing innovative medicinal products that addresses unmet medical needs and improve patients' quality of life. This commitment is upheld through the conduct of ethical, scientifically rigorous, and globally compliant clinical trials. All trials are conducted in accordance with international standards and regulatory frameworks, including the International Council for Harmonisation – Good Clinical Practice (ICH-GCP), the Declaration of Helsinki, CDSCO New Drugs and Clinical Trials Rules (NDCT), 2019, and the Indian Good Clinical Practice Guidelines.

Clinical trials are carried out in accordance with our internal SOP's as well as applicable Contract Research Organization (CRO) SOP's for outsourced studies, and all relevant regulatory requirements. Prior to study initiation, all clinical trials obtain necessary approvals from competent regulatory authorities and Institutional Review Boards/Independent Ethics Committee prior to initiate any clinical trial activity. These IRB/IECs operate under defined SOP's and are guided by the principles of ensuring the protection of rights, safety and well-being of all trial participants. As study sponsor, Sun Pharma ensures close monitoring and governance of all clinical trials and implements robust quality control systems, robust safety monitoring, and sponsor oversight mechanisms. These measures are designed to maintain data integrity and ensure compliance with study protocols and applicable regulations.

Sun Pharma provides periodic trial progress reports and safety updates to regulatory authorities and IRB/IECs as per local regulatory requirements. All significant protocol deviations and safety events are reported in a timely and transparent manner. We ensure that investigators are appropriately qualified, trained, and supported to conduct clinical trials effectively. As a generic pharmaceutical manufacturer, we do not conduct animal testing and are committed to leveraging scientifically validated alternative approaches. To strengthen clinical research capabilities, Sun Pharma actively supports investigators and trial sites through training and capacity-building initiatives. This approach helps expand the pool of experienced investigators and high-quality trial sites, enabling broader participation in clinical research and contributing to the development of innovative therapies.

Sun Pharma recognizes that equitable representation in clinical trials is essential to generate meaningful and analysable data. We follow FDA guidance on Diversity Action Plans to improve enrolment of participants from underrepresented populations in Clinical Trials, considering the many dimensions of clinical trial diversity, including age, ethnicity, sexuality, and race to enroll populations that represent the patients who will be treated if the product is approved. We also implement robust quality control and safety measures throughout the research process. We understand that timely reporting of Serious Adverse Events (SAEs) is essential for protecting the health and safety of trial participants, thus fatal or life-threatening SAEs and Other SAEs are reported to Ethics Committee within 7 and 15 days respectively.

Clinical Trials Data Transparency

Clinical trials data transparency is an integral part of business ethics at Sun Pharma. We ensure that clinical trials data is accessible, traceable, accurate, complete, and reproducible and ethically managed. We abide by the highest ethical standards including the Declaration of Helsinki (as amended), ICH Good Clinical Practice (ICH E6(R3) 2023/2025), ICH E8(R1), WHO ICTRP (International Clinical Trials Registry Platform), ICMJE recommendations, and applicable national and regional regulations.

Sun Pharma recognizes the importance of publicly disclosing clinical trial data and therefore provide information on publicly accessible clinical trial registries including ClinicalTrials.gov, CTRI (India), EU Clinical Trials Register/CTIS, WHO ICTRP, and other applicable national registries. We are also committed to full transparency when clinical trials are terminated.

At Sun Pharma, we post result summaries in plain language summaries (PLS) for Phase II–IV interventional trials and select Phase I trials where appropriate. These summaries are made available within 12 months of result posting (or earlier where required), so that they are easily understood by the general public.

To ensure transparency and product efficacy, clear and accurate Clinical Study Reports (CSRs) are prepared in accordance with ICH E3 guidelines and submitted to regulators. Additionally, CSR synopses and, where applicable, redacted clinical documents are disclosed in line with regulatory frameworks such as EMA Policy 0070 and Health Canada Public Release of Clinical Information.

We also have assigned clear accountability for data ownership, management, quality assurance, and safety at every stage of the data lifecycle, supported by documented Standard Operating Procedures (SOPs). We adhere to ALCOA+ principles (Attributable, Legible, Contemporaneous, Original, Accurate, Complete, Consistent, Enduring, and Available). We provide comprehensive training programs (mandatory onboarding and periodic refresher training at least annually) that connect data integrity to patient safety and regulatory compliance. Data governance ensures maintaining the integrity as well as ensures that systems prevent accidental unblinding. There are stringent SOPs that specify controlled, role-based access to unblinded data, audit trails, segregation of duties, and predefined unblinding procedures, including documentation of any planned or unplanned unblinding (e.g., safety-related emergency unblinding). We believe in empowering clinical research community and thus regularly publish our finding including both positive and negative or neutral outcomes in scientific journals.

Accessibility and Transparency of Research

We provide access to our research data to maximize our 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

Being a pharmaceutical company, Sun Pharma understands that marketing is not only about visibility or brands, but also about trust, compliance and safety. As transparency and credibility become increasingly important in shaping stakeholder confidence, we remain committed to ethical marketing and promotion practices that are compliant, patient-centric, and grounded in scientific evidence.



Ethical Marketing Commitment

Sun Pharma 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 (GCOC) 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. Sun Pharma's self-declaration regarding compliance to UCPMP 2024 is a publicly available document and can be accessed via the link [Sun Pharma UCPMP Self Declaration](#).

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 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) Guidance for Pharmaceutical Manufacturers (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](#).

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

We are 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 GCOC 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 GCOC and adherence to the US Comprehensive Compliance Program, supported by dedicated compliance teams across the globe. Our 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.

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 always upheld. These interactions are governed by our GCOC, 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, we reinforce our 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 our GCOC which emphasizes responsible communication and prohibits any activity that compromises the integrity of the communications. Our GCOC 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, we maintain transparency, integrity, and accountability in all promotional practices.

Provision for approval of non-promotional materials before use

We are committed to providing accurate and truthful information about its products and services which includes both promotional and non-promotional materials. We maintain a robust internal process to ensure that all non-promotional materials intended for external use are reviewed and approved prior to dissemination.

Direct-to-Consumer Marketing Commitment

We market directly to consumers, and our publicly available policy commits to the following aspects below:

Clearly stating the health conditions for which the medicine is approved

At Sun, we ensure 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 the commitment in our GCOC to promote ethical marketing and informed decision making by patients.

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, 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, we mandate 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

We transparently report on its incidents of non-compliance and legal proceedings associated with false marketing claims. For the FY2026, there were no non-compliance incidents reported concerning product and service information and labelling and marketing communications. Additionally, there was no monetary loss because of legal proceedings associated with false marketing claims. This information has also undergone assurance via a third-party external assurance provider.

Metric	FY2023	FY2024	FY2025	FY2026
Incidents of non-compliance concerning product and service information and labelling	0	0	0	0
Incidents of non-compliance concerning marketing communications	0	0	0	0
Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	0 Monetary Units	0 Monetary Units	0 Monetary Units	0 Monetary Units

Enhancing Access to Healthcare

Bridging last-mile healthcare gaps through affordability, availability, and patient reach is critical to building healthier, more resilient, and equitable societies. Ensuring that healthcare reaches every community is a responsibility we embrace with purpose and conviction. As a leading pharmaceutical company, we have undertaken several programs and innovative steps designed to improve accessibility of healthcare products and drugs, address healthcare disparities, and create lasting value for society.

Accessibility Programs

- **Access to low-cost products:** At Sun Pharma, we have always endeavoured to improve access of our products for patients globally. We also expand the access of our products by engaging in competitive tenders by governments and hospitals to ensure availability in the public sector, while adhering to local pricing policies and competitor-based pricing strategies in the private sector. We also provide low-cost access to the organization's products to address diseases/conditions.
- **Medical products or drug donations based on WHO Guidelines for drug donations:** In order to ensure 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 based on WHO guidelines for

drug donations. 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 Merck & Company under a voluntary licensing agreement to manufacture and distribute a generic version of a drug across more than 100 low and middle-income countries, including India. In the reporting period, a total of 11.9 million units (pills) of generic medicines have been donated that directly help patients in need in both underdeveloped countries as well as here in the U.S.

Our Innovative Medicines strategy is anchored in three key pillars:



We continue to enhance product access through a combination of internal R&D, targeted acquisitions and strategic in-licensing, enabling us to build a portfolio of differentiated and high-value therapies.



We are investing in clinical development across multiple Innovative Medicines assets, with a focus on generating robust scientific evidence and advancing our pipeline in key therapeutic areas.



We have established a strong commercial infrastructure, in the United States and other key markets, supported by dedicated sales teams, marketing capabilities and distribution

Sun's Innovative Medicines Portfolio

- | | | |
|--------------------|------------------------------|------------------------|
| 1. Unloxcyt | 5. Odomzo | 9. Yonsa |
| 2. Leqselvi | 6. Levulan Kerastick + BLU-U | 10. Sezaby |
| 3. Ilumya/Ilumetri | 7. Winlevi | 11. Sprinkle Portfolio |
| 4. Cequa | 8. Absorica LD | |

- **Product innovation to facilitate access through 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. We have progressively built a differentiated Global Innovative Medicines business, with a focused presence in specialty segments of dermatology, ophthalmology and onco-dermatology. These therapy areas continue to exhibit significant unmet patient needs, and we remain committed to addressing them through innovation, scientific advancement and disciplined execution.

For the year under consideration, Sun Pharma also has a pipeline of five specialty molecules undergoing clinical trials.

In the current reporting year, we have launched different innovative medicines in different markets to facilitate patient access to Innovative Products. For further details, please refer: [Sun Pharma Annual Report FY2026](#) on page 32 and 39 of 344.

The year also marked a significant leadership transition and laid the foundation for the next phase of growth through the announcement of acquisition of Organon, which will expand our global footprint and add Women's Health to our Innovative Medicines portfolio. Till date, Sun Pharma has 29 innovative products in Innovative medicine portfolio. For the year under consideration, our innovative R&D pipeline includes 5 products undergoing clinical trials.

- **Providing patient assistance to access and reimbursement support:** We provide access and reimbursement support for our branded products through bridge, affordability programs including Patient Assistance Program (PAP) and co-pay assistance, as well as the Patient Access Liaison (PAL) Program.
 1. We offer temporary access to medication at no cost to eligible commercially insured patients in the United States through the Early Access Program (EAP). Insurance companies often require extensive paperwork to be completed by the prescriber before approving a prescribed medication, which can delay a patient's access to treatment. EAP helps ensure that eligible patients do not experience a gap or delay in starting therapy. EAP currently supports access to different innovative medicines.
 2. We also provide financial assistance through co-pay support and the Patient Assistance Program (PAP). Co-pay assistance is available to eligible commercially insured patients in the United States through a co-pay card program, which

can significantly reduce monthly out-of-pocket expenses. Eligible patients in the United States who are uninsured or unable to afford their medications may receive medication at no cost through PAP. The co-pay program support multiple branded products, thereby, increasing accessibility.

3. The Patient Access Liaison (PAL) Program is designed to help patients start, afford, and remain on therapy by providing patients with a direct point of contact who can provide information and access to resources to support their patient journey. Participation in PAL is voluntary, and patients may choose to enroll in the program. PAL provides appointment reminders, assistance locating an alternative site of care, scheduling support, and additional information about insurance coverage, medication access, and affordability options.

- **Conducting research to develop new medicines for neglected diseases:** At Sun Pharma, we have been actively pursuing research into new therapies for neglected tropical diseases. Sun Pharma & NIV had signed an agreement to fight Chikungunya, Dengue and Zika.
- **Community Outreach:** Through our Corporate Social Responsibility programs, we provide essential medicines and healthcare services to patients in villages near our operational sites. For many remote and underserved communities (categorised as vulnerable populations), Mobile Healthcare Units (MHUs) continue to serve as an important point of access to primary healthcare services. Operating across 188 villages, 11 MHUs delivered preventive, promotive, curative and rehabilitative healthcare services closer to communities. In FY2026, number of patients with low-cost access to the organization's products to address diseases/conditions were 2,18,897. We have also been addressing low cancer screening rates by conducting preventive healthcare campaigns focused on hygiene, nutrition, and early disease detection, raising awareness about NCDs (oral, breast, cervical cancers), increasing screening among vulnerable women, and organizing free cancer screening camps through the 'SUNKalp' initiative, thereby ensuring and improving access.

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 -11.39% and the weighted average YoY change in net price was -13.76%.

Weighted Percentage Y-o-Y change in:	FY23	FY24	FY25	FY26
Average List Price	3.44%	-0.77%	0.75%	-11.39%
Average Net Price	-0.03%	1.22%	-1.86%	-13.76%

Local Capacity Building

Access to medicines remains a significant global challenge, with an estimated two billion people lacking access to essential medicines worldwide. At the same time, approximately 100 million people are pushed into extreme poverty due to healthcare expenses. Against this backdrop, the pharmaceutical industry plays an important role to not only meet the need for innovative solutions, but also the ability to strengthen supply chains, support the development of healthcare infrastructure, and ensure widespread distribution of their products. At Sun Pharma, we are committed to improving access to healthcare by making high-quality medicines available to patients across geographies.



Sr. No	Type of Activity	Description of Local Capacity Improvement Initiatives
1	Mobile Healthcare Units (MHUs) to provide primary health services and generate awareness amongst underserved rural communities	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. Issues addressed: No/low access to primary health services, low health literacy, medical complications Scope: Sun Pharma operates 11 MHUs across 188 villages near manufacturing locations in India. to deliver preventive, promotive, curative and rehabilitative healthcare services closer to remote and underserved communities. 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. 2,18,897 beneficiaries reached through MHUs. 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, safe motherhood and family planning, Prevention & control of communicable diseases (diarrhoea, pneumonia, malaria, tuberculosis and non-communicable/other prevalent diseases). Duration: Ongoing

Sr. No	Type of Activity	Description of Local Capacity Improvement Initiatives
2	Financing: Healthcare Infrastructure	Lack of proper health care infrastructure delays / precludes patients of proper access to care to medicine. Issues Addressed: Delay in diagnosis and 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 FY2026, we provided the following support – 1) Support towards setting-up of Cancer Sanatorium Institute. 2) Provide critical medical equipment to health facilities and manage select primary health centres. 3) Targeted interventions focused on neonatal care, nutrition support and eye care. 3 advanced neonatal care equipment units were provided. 4) 63,347 individuals accessed healthcare services 5) Healthcare infrastructure strengthened through the upgradation of 38 PHCs and Ayushman Kendras across states, benefiting reaching an estimated 11 lakh people 6) Healthcare infrastructure was strengthened across Assam, Dadra and Nagar Haveli, Tamil Nadu, Jammu, Madhya Pradesh, Maharashtra, Sikkim and Gujarat. 7) 8000 Subsidised eye surgeries enabled through donation of Two PHACO machines in Panoli 8) Handheld X-ray equipment provided to the Department of Health supported early identification of TB-positive individuals in Jammu. Duration: Ongoing
3	Provider Education: National Consultation on Medication and Patient Safety	Strengthening the capabilities of healthcare professionals remains essential to enhancing the quality, safety, and effectiveness of patient care. Issue addressed: Awareness and patient safety in the healthcare ecosystem Scope: In partnership with IMMAST, an academic initiative run by doctors for doctors was convened by Sun Pharma. The training Programs focused on operating room nursing, medical nursing and surgical nursing practices, with an emphasis on strengthening clinical competencies, improving patient safety and promoting standardised healthcare practices across healthcare settings. Additionally, we conduct long-term programs, partnerships, and activities aimed at strengthening local capacities. We have scientific events, programs to train healthcare professionals to improve diagnosis, treatment, and follow-up, across all the markets, including Least Developed Countries. Impact/Benefits: 1) 6,868 nurses, medical professionals and paramedical staff from government and private hospitals were trained across through the academic initiative in partnership with IMMAST 2) In FY2026, 121 medical programs were conducted, and 38,006 HCPs were educated in India alone through our long-term programs, partnerships and activities. Duration: Completed/ Ongoing

Sr. No	Type of Activity	Description of Local Capacity Improvement Initiatives
4	Patient Education: Preventive Healthcare Campaigns	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. Issues addressed: Lack of patient awareness 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 FY2026, the Preventive Healthcare Campaigns made a significant impact on community well-being. Around 56,000 individuals were trained in life-saving cardiopulmonary resuscitation (CPR), equipping them with critical skills to respond to emergencies. Additionally, 100 screening camps were set up for breast, oral and cervical cancers during the FY2026, with a focus to deepen community awareness on the importance of early detection and preventive Screening. A total of 15,357 individuals were screened through the Program. 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	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. Issues Addressed: 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 FY2026, 46,772 patients were screened, 8,910 Optometrist Examined and 4,351 Corrective Glasses Provided. Duration: Ongoing

Information Security Management & Responsible AI usage

Information Security Governance

At Sun Pharma, we have a comprehensive and robust governance framework to oversee information security issues, risks and resilience. We take extreme care in protecting our information from loss, theft, destruction, unauthorized alteration, and access. Our Board, through the Risk Management Committee, oversees an integrated enterprise risk management framework that enables structured identification, assessment, prioritisation, and mitigation of various risks including cyber security risks, the Information security governance procedures and practices. The Risk Committee evaluates the effectiveness of information and cyber risk mitigation strategies, ensuring they are robust and responsive. Therefore, at Sun Risk Management Committee, which is a board level committee has clear responsibility for information security. The Nomination and Remuneration Committee reviews the collective skill composition of the Board and, based on the current assessment, has identified opportunities to enhance expertise in digital, cyber-security, which is being considered as part of our ongoing Board refreshment and succession planning process. The Executive level responsibility for

overseeing information security issues is maintained by a Chief Information Security Officer (CISO) who holds direct responsibility for overseeing all cybersecurity matters throughout our operations.

Key elements of the ERM framework towards Information Security include:

- Identification of cyber security risks
- Clear ownership of risks and mitigation actions by designated risk owners
- Assessment of risk likelihood, impact, and control effectiveness
- Periodic review and escalation of key risks to senior management and the Board.

Risks and mitigations are documented in a comprehensive enterprise risk register, which is updated at least semi-annually in consultation with business, regional, and functional leaders. The register captures evolving risk trends, mitigation status, and emerging risk insights to support informed decision making.

Continuous Awareness and Training

We enhance information security awareness through simulation-based learning for all employees.

24/7 Threat Monitoring

Our around-the-clock monitoring systems are designed to detect and address threats as part of our Managed Detect and Respond protocols.

Information Security Management System (ISMS)

We apply Information Security Management System (ISMS) protocols, Global Standard Operating Procedures (GSOPs), and Defence-in-depth strategies.



Transition to Zero-trust Security

We aim to advance towards a zero-trust-based security infrastructure, enhancing our security posture with comprehensive training and controls.

Standard Operating Procedures (SOPs)

We implement Standard Operating Procedures (SOPs) globally for consistent data management across all locations.

Adherence to Industry Standards

We follow best practices aligned with the National Institute of Standards and Technology (NIST) and ISO 27001:2013 to effectively manage information security risks.

Information Security Policy

We continue to integrate digital technologies into our operations, and therefore, our approach to manage cybersecurity, information security risks have been evolving. We have an Information Security Policy which provides management direction and support to our company on implementing and maintaining standards for protecting our information systems. It applies to all employees, vendors, contractors, third-party service providers, and any other individuals involved in managing relevant IT processes and information within Sun Pharma, subsidiaries and affiliates.

Key Objectives covered under the Information Security Policy:

1. Protect Information Assets and Infrastructure
2. Demonstrate Commitment to Information Security
3. Ensure the CIA Triad
4. Establish Roles and Responsibilities
5. Define Security Requirements for Third Parties
6. Manage Information Security Risks
7. Incident Response and Recovery
8. Promote Security Awareness
9. Legal and Regulatory Compliance
10. Continuous Improvement of Information Security Systems

The policy covers the following:

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, personal, and customer 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.

SPIL has included provision of data privacy in its Information Security Sustenance and Compliance Policy and Procedure to ensure privacy and protection of personally identifiable information per relevant laws.

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 our 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 including but not limited to ISO standards. 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. Additionally, the policy also aims to foster a culture of information security awareness among employees, service providers, and customers.

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.

Information Security Management Programs

Vulnerability Assessments are conducted as a BAU activity

Simulated cyber-attack exercises are conducted every year

Internal audits of the Information Technology conducted as per the plans

Information security-related business continuity plans

SPIIL has **Information Security Continuity Policy** to ensure that it shall maintain ICT security in line with Confidentiality, Integrity, and Availability principles during business continuity situations. The provision of the policy includes, including SPIIL continuity requirements in supplier agreements, conduct periodic test of Information Security Continuity, and regularly update Information Security Continuity arrangements.

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, example: 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.

Information security vulnerability analysis

To further strengthen our cybersecurity framework, we conduct periodic inhouse vulnerability assessments and annual third-party simulated cyberattack exercises. The IT team regularly assesses servers and infrastructure to identify and address potential vulnerabilities through these vulnerability assessments. In addition, an independent third-party performs simulated cyberattacks to evaluate the resilience of our systems and identify potential entry points and security gaps. Following the assessment, remediation actions are implemented, and a rescan is conducted to verify that identified vulnerabilities have been effectively

addressed, thereby enhancing the overall security and resilience of our IT environment. These proactive measures help validate the robustness of our existing processes and enhance our ability to detect, respond to, and recover from potential threats.

Internal audits of the IT infrastructure and information security management systems

SPIIL has Information Security Audit Policy to timely inform on ISMS gaps, vulnerabilities through VAPT or from other trusted sources, third-party audit and act upon them to close the reported weaknesses. We conduct internal audits of our IT infrastructure and security management systems to ensure compliance with our Information Security Policy. These audits, help assess operational integrity, identify potential risks, and reinforce adherence to established security standards across the organization.

Independent external audit of the IT infrastructure and/or information security management systems

In FY2026, we have successfully achieved the ISO 27001:2022 certification for the organization. The certification currently covers our Data Centres in Mumbai and Noida, as well as our Head Office and Mumbai offices, encompassing key functions such as Information Technology, Human Resources, Procurement, Legal, Physical Security, and Administration. As we continue to strengthen our information security framework, we aim to progressively expand the scope of certification across additional locations, operations, and business functions, ensuring consistent implementation of best-in-class information security standards throughout the organization.

Escalation process for employees to report incidents, vulnerabilities or suspicious activities Information security Policy mentions: Violations of this policy should be reported to the SPIIL's Information Security Office at isecure@sunpharma.com and, the reporting is done with the IT Global Service Desk team (itgsd@sunpharma.com) and emailed to iSecure@sunpharma.com.

Information security awareness training

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 through mailers and visual banners to reinforce the importance of information security and ensure employees are informed about available reporting channels. Simulated phishing exercises are periodically conducted to test employee readiness against evolving cyber threats. These exercises help strengthen vigilance and identify areas where additional training may be required.

ZERO Total number of breaches occurred in FY2026

Head Office with 05 Departments and two data centres in India are **ISO 27001:2022 certified**

Ongoing information security awareness training conducted for all employees through **LMS** which includes, newsletter, posture, email awareness, videos along with quiz and phishing simulation

Internal team certified for **ISO 27001:2022 LA course**

Privacy Protection

In an increasingly data-driven pharmaceutical landscape, protecting personally identifiable information is critical to maintaining patient trust, supporting ethical research, and ensuring regulatory compliance. The enactment of the Digital Personal Data Protection (DPDP) Act, 2023, presents an opportunity for pharmaceutical companies to strengthen their data privacy practices, enhance governance mechanisms, and strengthen their commitment to the responsible management of personal data.



Our Privacy Policy demonstrates a commitment to data protection, in alignment with internationally recognized standards and regulations. The policy is applicable to the entire operations, including suppliers. 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 and privacy

issues. Cyber Security and Data Privacy considerations are also embedded within our Enterprise Risk Management (ERM) Framework. By embedding Privacy policy system in group-wide risk and compliance management framework, we ensure that privacy risks are systematically assessed, monitored, and managed through our group-wide risk and compliance structure.

Our detailed Privacy policy can be accessed at the link below: [https:// sunpharma.com/privacy-policy-new/](https://sunpharma.com/privacy-policy-new/)

Our Privacy Policy highlights the adherence to the following reasonable security practices and procedures:

1. Documented information security program and policies that contain managerial, technical, operational, and physical security control measures commensurate with the information assets being protected.
2. Comprehensive security policies and procedures aligned with the IS/ISO/IEC standards and/or the approved codes of best practices for data protection on 'Information Technology – Security Techniques – Information Security Management System – Requirements'.
3. Regular review and updates to our security measures to meet business needs, changes in technology, and regulatory requirements.
4. Encryption of sensitive information during transmission.
5. Access controls to limit access to Information on a need-to-know basis.
6. Security incident management procedures.
7. Regular security audits and assessments by an independent auditor at least once a year.
8. Employee training on data security and privacy.

Customer Privacy Information

We believe in and respect personal privacy and dignity. We collect and retain personal information only to the extent permitted by applicable privacy laws and necessary for the effective operations of our Company or mandated by a statute. We keep such information confidential and disclose it only to those who have a legitimate need to know. 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.

Sun clearly states the LEGAL BASIS FOR PROCESSING Data:

1. Consent
2. Contract
3. Legal Obligation
4. Vital Interests
5. Legitimate Interests

We inform our customers regarding privacy protection issues. Also, as detailed in our privacy policy, they are also provided with a possibility to decide how private data is collected, used, retained and processed through varied choices such as:

- The Right to Opt-Out
- Opt-In consent is required
- Right to request Access to data held by our company
- Right to Data Portability
- Right to Correction of the data
- Right to request for deletion of their data



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 we 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. Additionally, to safeguard customer and employee data from external threats, we have also implemented risk mitigation measures such as patch management, antivirus solutions, IT monitoring systems, and perimeter security. Furthermore, we confirm that customer data is used solely for the purposes specified in our privacy policy and we do not use data for secondary purposes without

consent. The percentage of users whose customer data is used for secondary purposes in FY2026 remains zero. Additionally, in the current FY2026, we recorded zero substantiated complaints concerning breaches of customer privacy, across complaints received from outside parties, complaints from regulatory bodies, total number of identified leaks, thefts, or losses of customer data.

Our Compliance with Global Data Integrity & Security Standards:

- Compliance with USFDA data integrity and cGMP standards
- Complying with Information Security Management System standards using ISO 27001 as a guidance
- Following PDA Report 80 for creating a data integrity management system in our laboratories
- Adhering to data protection regulations to safeguard personal data at operational locations

Responsible Artificial Intelligence

Leveraging Technology for Sustainable Operations

Decisions regarding technological integration are made collaboratively, considering proof of concept and business case approvals. Technology guidelines have been set to ensure effective project execution, aligning with global standards such as the Information Security Management System (ISMS) and the Information Technology Infrastructure Library (ITIL). The Corporate Technology team has formulated an IT innovation and technology roadmap, while each department dedicates an annual budget to safeguard information security. This budget factors in the current hardware landscape, ongoing initiatives, new projects, and external influences affecting information security. Through targeted investments in advanced technologies, we've improved the availability of medicines around the world. There is a strong emphasis on strict compliance with global safety standards, alongside a continuous commitment to ensuring the quality of a diverse product portfolio. In FY2026, no information security or data privacy incidents were recorded.

We have established a comprehensive Responsible Artificial Intelligence (AI) Policy to identify, assess, manage, and mitigate AI-related business risks across our operations as detailed ahead. We allow data to be processed through AI only for approved, lawful and necessary purposes. AI systems must follow secure-by-design and secure-by-default principles, including enterprise identity and access management, role-based access, least privilege, encryption, secure APIs, logging, monitoring, security testing and incident response. Controls also address prompt injection, data leakage, adversarial attacks, model misuse, insecure output handling and excessive agency, which help us in protecting the cybersecurity of our systems. At Sun, our AI systems are designed, assessed and monitored to reduce inappropriate bias, unfair treatment, discrimination and exclusion. For high-risk and regulated uses, bias, fairness, accuracy, reliability and robustness assessments are applied where relevant and are subject to monitoring and periodic review. We believe that AI may support decisions but must not replace accountable human decision-making where outcomes may materially affect patients, employees, quality, regulatory submissions, legal obligations or financial commitments. Human review, intervention, approval and override requirements increase with risk, and accountability always remains with the designated human owner or approver at Sun.

We require transparency and explanations proportionate to the AI system's risk, context and decision impact. Intended use, limitations, data sources, outputs, model or configuration versions, testing evidence, audit trails and human oversight must be documented for higher-risk and



regulated AI. It is a practice that every AI use case must have named Business, Technical or Model, and Data Owners, with independent review by relevant functions based on risk. Governance bodies oversee approvals, exceptions, incidents, monitoring obligations and periodic reviews, while accountable humans remain responsible for final decisions and use of AI outputs. The governance package defines intended use, approved tools and data sources, risk-based controls, permitted and prohibited uses, human approval gates, and additional limits for agentic AI. AI must not operate outside its approved purpose or bypass security, privacy, validation, quality or regulatory controls. We prohibit AI use involving deception, manipulation, impersonation, unauthorized surveillance, unlawful profiling, discrimination or other unlawful conduct. AI systems must comply with applicable law and recognized responsible AI principles, and prohibited uses must not be deployed.

As a practice, sensitive and high-impact AI capabilities are controlled through approved platforms, role-based access, least privilege, strong authentication, approved tools and connectors, risk-based approvals and human approval gates. Unapproved surveillance, profiling and related prohibited uses must be stopped and escalated. The policy requires disclosure of AI involvement where required and documentation of AI-generated outputs in regulated contexts. Risk-based monitoring covers accuracy, performance, data drift, model drift, incidents and user feedback. Material degradation requires investigation, escalation, controlled remediation, re-testing or re-validation, and where necessary rollback, suspension or decommissioning helping us to detect and correct drift or degradation of AI models over time. High-risk and regulated AI systems are subject to bias and fairness assessment where relevant, with monitoring and periodic review determined by the risk category, intended use and potential impact. The governance package requires user accountability, awareness and training proportionate to role and risk, including responsible use, data handling, security, output verification and incident reporting for ethical, secure and responsible use of AI.

Driving Sustainable Impact through Responsible Environmental Initiatives

Environment sustainability is material to pharma Industry especially API operations due number of hazardous chemicals and processes used at the operations. We pursue targeted actions to reduce the environmental footprint of all our operations and focus on preventing and mitigating adverse impacts. We are committed to safeguarding natural resources and using our reach across the value chain to promote sustainable development.

Our ESG Focus Areas	FY2026 Targets ²	Long-term Targets	Performance Against Long-term Targets
Energy efficiency and carbon emissions	Scope 1 emissions - 43,000 tCO ₂ e	Reduce absolute carbon emissions (Scope 1 and Scope 2) by 35% by 2030 (baseline year of 2020)	15.86% Reduction in absolute carbon emissions and 48.64% decrease in specific intensity for Scope 1 and 2 carbon emissions compared to baseline year 2020. 43% Energy sourced from renewable sources
	Scope 2 emissions - 3,38,085 tCO ₂ e		
	Scope 1+2 emissions - 3,80,000 tCO ₂ e		
	Non-renewable energy consumption - 7,50,000 MWh		
Water management	Total Net Fresh Water Consumption: 25,00,911 kilolitres	Achieve net water positivity by 2030	16.05% Reduction in absolute water consumption and 48.72% decrease in specific intensity for water consumption compared to 2020
Managing waste	Total non-hazardous waste disposal: 3,000 MT		37.93% of hazardous waste disposed was co-processed in FY2026
	Total hazardous waste disposal: 21,210.92 MT		

Environmental Policy, Governance and Management Systems

Our environment management practices are governed basis our comprehensive Environment, Health, and Safety (EHS) Policy, supported by a structured Environment Management System developed at our operations. As part of the Environment management systems, our operations are required to undertake environment risk assessment, develop targets and management action plan to mitigate the environment risk. Each of our operation develop targets and action plans towards reducing carbon emissions, water consumption, and waste generation as part of the environment management system. Each of our unit has Environment management committee, consist of members from cross functional departments, to implement the environment management action plan.

Our Environmental Management System (EMS) is aligned with the ISO 14001:2015 framework. 18 of our operational sites are certified to ISO 14001:2015, while 7 manufacturing facilities have achieved ISO 50001:2018 certification for energy management. The remaining sites undergo regular corporate, third-party, and internal audits to ensure effective implementation of Environment Management Plan and achieve environmental performance.

Regular internal inspections and external audits are conducted to ensure compliance with applicable environmental standards and regulations. 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 FY2026, there were zero environmental non-compliance issues reported. Additionally, comprehensive emergency response plans are developed and implemented across all sites to enable swift and effective action in the event of accidents or incidents that may impact the environment, reinforcing our commitment to environmental stewardship.

Our employees play a crucial role in achieving our environmental goals. We conduct periodic environment training programs as part of EHS trainings for our employees and contract workers to enhance responsible and environmentally conscious behaviours. In FY2026, we conducted 50.85 million manhours training to our employees on environment management.

Certification Type	Coverage
ISO 14001 certified	18 sites
ISO 50001	7 sites

Environmental Violations	FY2023	FY2024	FY2025	FY2026
Number of violations of legal obligations/ regulations	1	0	0	0
Amount of fines/ penalties related to the above in INR	50,00,000	0	0	0
Environmental liability accrued at year end in INR	0	0	0	0

² Beginning this financial year, the reporting boundary for EHS indicators has increased from 79% to 84% of our overall operational footprint. Accordingly, annual targets have been set based on the expanded scope of coverage, and any increase in target values should be viewed in the context of the broader reporting boundary.

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 operation level through internal and 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 our specific and overall energy consumption. Deployment of energy efficient equipment, Process optimization initiatives and Digital monitoring have further supported our efforts on energy conservation. Energy conservation efforts are supported by clearly defined targets, robust governance mechanisms, and regular performance reviews at the leadership level.

To further strengthen this commitment, we have adopted the ISO 50001:2018 Energy Management System at multiple sites. Additionally, regular training and awareness sessions are conducted for key energy stakeholders across our locations, aimed at enhancing understanding and adoption of energy conservation practices. Through this integrated approach, we aim to minimize our environmental impact, enhance cost efficiency.

We continue to focus on process innovation to further reduce energy consumption in our manufacturing operations. We remain committed to transparently reporting our energy performance across key parameters, including total energy consumption, energy intensity, and the share of renewable energy in our overall energy mix.

In FY2026, we have made a Capital Investment of **INR 503.2 million** on energy conservation equipment across our operations.

Our approach towards Energy Management

At Sun Pharma, we have a dedicated energy management team at each operation that works on a three-pronged strategy: Monitor, Minimize, and Decarbonize. This approach enables us to track energy usage, reduce our carbon footprint, and transition towards cleaner, more sustainable energy sources.

Our Approach Towards Energy Management



Monitor

Monitor energy usage trends, set benchmarks, and create action plans to meet our targets.



Minimize

Minimize reliance on energy-intensive sources by using energy-efficient methods and recover waste heat for further utilization.



Decarbonize

Reduce our carbon footprint by adopting cleaner fuel alternatives and shifting to renewable energy.



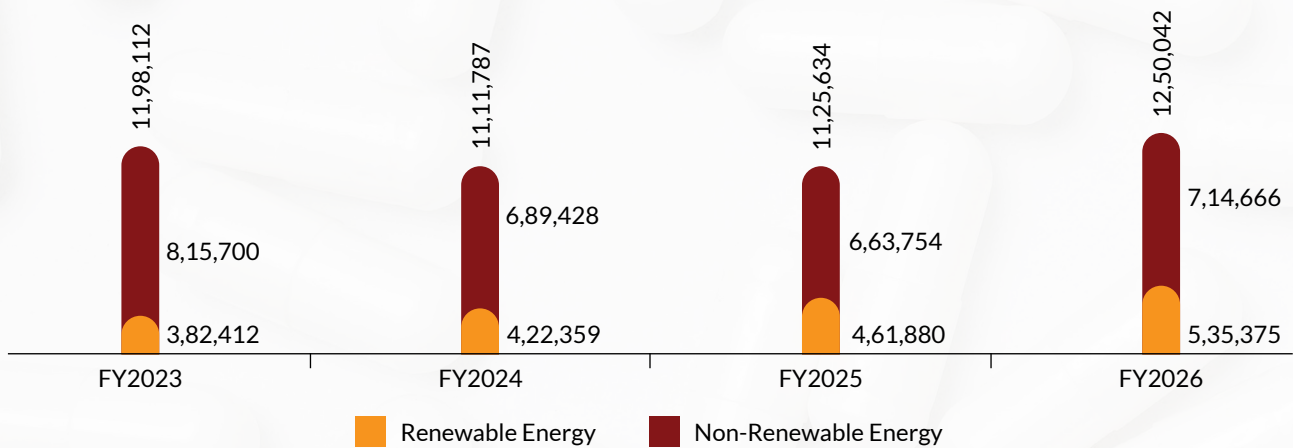
Monitor

Our energy management approach is built on continuous monitoring and verification of energy consumption across sites, at both equipment and plant levels, through regular internal and external energy audits. This enables us to identify consumption trends, detect deviations, forecast future energy demand, set targeted reduction goals, and measure the effectiveness of energy-efficiency initiatives.

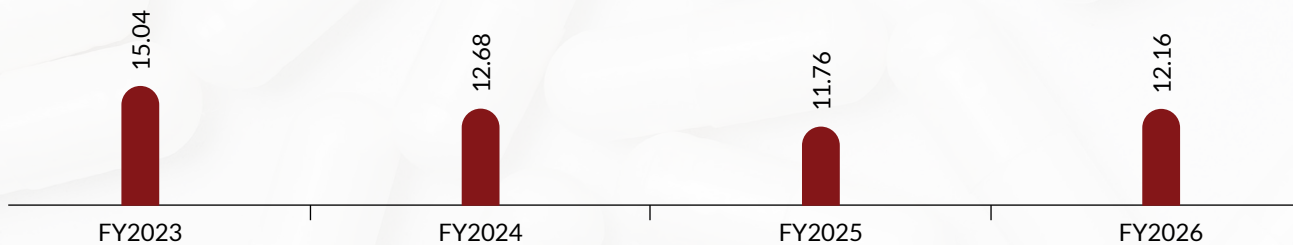
Through these sustained efforts, we have progressively increased the share of renewable energy in our energy mix by 43%.

The data below reflects our annual energy performance over four financial years, highlighting a consistent increase in renewable energy use.

Energy Consumption (Mwh)



Specific Energy Consumption (GJ/Revenue in INR million)



Total Energy share by source in the year FY2026 (in MWh)

Energy Type	Source	Energy consumed (MWh)
Renewable	Biomass	2,07,965.52
	Hybrid Power	44,214.29
	Renewable Power Purchase	3,276.24
	Solar Energy	37,771.87
	Steam Purchased	2,32,069.59
	Wind Energy	10,077.82
	Total	5,35,375.34
Non-renewable	CNG	1,48,197.39
	Diesel	27,764.54
	Furnace Oil	2,165.75
	Grid Electricity	5,17,342.28
	HSD (Mobile combustion)	1,377.89
	Light Diesel Oil (LDO)	13,184.06
	Liquefied Petroleum Gas (LPG)	4,036.21
	Petrol	598.36
	Total	7,14,666.49
Total (Renewable & Non-renewable energy consumption)		12,50,041.83

Minimize and Decarbonize

We are steadily scaling up the use of renewable energy through on-site installations and off-site sourcing mechanisms, wherever feasible. This helps us transforming our energy mix by increasing the adoption of renewable and low-carbon energy sources, reducing our greenhouse gas emissions and dependence on conventional fuels. In FY2026, a combination of energy efficiency initiatives

and investments in clean energy solutions enabled us to completely eliminate steam consumption from non-renewable sources, phase down the consumption of high-speed diesel, furnace oil, and coal, supporting our commitment to achieving long-term climate and decarbonization goals.

Renewable Energy Measures

1. A captive hybrid power plant (wind + solar) is operational in Gujarat to partially meet the electricity requirements of our manufacturing facilities. In addition, an additional hybrid (wind + solar) plant is currently under installation within the same state to further strengthen renewable energy capacity.
2. A captive solar power plant is operational in Madhya Pradesh, and an additional solar power plant has been commissioned in Maharashtra, contributing to partial fulfilment of power requirements.
3. Captive windmills are utilized in Tamil Nadu to support a portion of our energy requirements.

Additionally, a group captive arrangement has been established to further enhance the sourcing of renewable energy within the state.

4. Rooftop solar installations are being leveraged across multiple sites to meet part of the electricity demand. Rooftop solar systems have been installed at Halol, Baska, Tandalja, Dadra, Gurgaon, Toansa, Mohali, Baddi, and Basma locations.
5. As part of our fuel substitution strategy, conventional boiler fuels such as furnace oil, high-speed diesel (HSD), and natural gas (NG) have been replaced with renewable biomass briquettes for steam generation, thereby reducing environmental impact

Sun Pharma Climate Strategy

At Sun Pharma, we recognize that the effects of climate change are significantly, impacting people, organizations, and ecosystems in our vicinity. To address climate-related risks, and leverage opportunities, we have formulated decarbonization strategy and initiatives to realize our goals and facilitate the shift to a low-carbon economy.

Our Decarbonization strategy is underpinned by the following framework:

1. Implementing energy efficiency to Reduce emission	2. Electrification of the operations to extent possible	3. Shift to low carbon fuel / Biomass
4. Shift to renewable electricity	5. Nature based solution for residual emission management	

1. Implementing energy efficiency to Reduce emission:

Over the years we have implemented several energy efficiencies projects that has not only helps us conserve energy but also reduce our GHG emissions. Some the energy efficiency projects we have implemented across all our operations are:

- Deployment of energy-efficient pumping systems for hot water, chilled water, and process water applications, supported by variable speed controls.
- Optimization of HVAC systems through advanced controls, automation, and airflow management solutions.
- Upgrade of motors and cooling tower equipment with energy-efficient alternatives to enhance operational efficiency.
- Replacement and optimization of pumping infrastructure through high-efficiency equipment and variable frequency drives (VFDs).
- Installation and replacement of energy-efficient chilling and cooling systems to improve thermal management performance.
- Deployment of energy-efficient air drying and dehumidification systems to reduce energy demand in manufacturing operations.
- Implementation of advanced process automation and control systems to improve utility performance and reduce energy losses.
- Identification and rectification of compressed air leakages to reduce avoidable energy consumption.
- Energy-efficient upgrades to water circulation and treatment systems through variable speed drive integration.
- Optimization of steam distribution and heat transfer systems to improve thermal efficiency.
- Replacement of conventional lighting systems with energy-efficient LED lighting solutions.

Through these projects, we achieved energy savings of approximately 81,660 GJ accounting to 5,987 tCO₂e annual savings during FY2026.

2. Electrification of operations wherever is possible:

We try to switch our processes and operation from fuel-based energy consumption to electricity-based energy consumption as it helps us reduce the losses in the system and conserve the energy. Some electrification projects we have implemented across all our operations are:

- Use of electrical heater instead of steam heater.
- Use of electrical pump for condensate recovery instead of steam-based condensate recovery pump.

3. Shifting to cleaner fuel:

We are working to shift all our fossil fuel-based energy generation to renewable fuel energy generation system wherever possible. We have converted boiler operations at almost all our plant to biomass-based fuel instead of HSD / FO based non-fossil fuel steam generation operations.

4. Shifting to renewable electricity source:

We are shifting our operations from fossil fuel-based electricity source to renewable-energy based electricity source wherever possible. Towards this we have:

- Adoption of solar energy rooftop across manufacturing and support facilities to increase renewable energy utilization.
- Entered in to Power Purchasing Agreement with renewable electricity supplier.

5. Offset:

Once all the commercially possible options on GHG reduction will be exhausted, we will be working on Carbon removal through offset projects. This will include carbon removal projects such as nature-based solutions, Carbon sequestering etc. to remove the residual impact from our operations.

GHG Emissions Performance Management

Direct Greenhouse Gas Emissions (Scope 1)

We monitor and disclose direct emissions resulting from the use of different non-renewable sources of energy such as diesel, furnace oil, petrol, CNG, LPG, LDO, and coal across our operations.

Scope 1 Emissions

Scope 1	Unit	FY2023	FY2024	FY2025	FY2026
Total direct GHG emissions	Metric tonnes CO ₂ eq.	67,203	45,606	38,729	42,973
Total direct GHG emissions (inclusive of refrigerants) ³	Metric tonnes CO ₂ eq.	1,03,287	84,567	94,752	93,059

Our total biogenic emissions in FY2026 were 83,854.34 tCO₂e

Indirect Greenhouse Gas Emissions (Scope 2)

We monitor and report GHG emission associated with electricity purchased from the grid, contributing to our Scope 2 emissions profile. During the reporting year, Scope 2 emissions increased primarily due to an expansion in the reporting boundary and the inclusion of additional operational facilities within the assessment scope. we

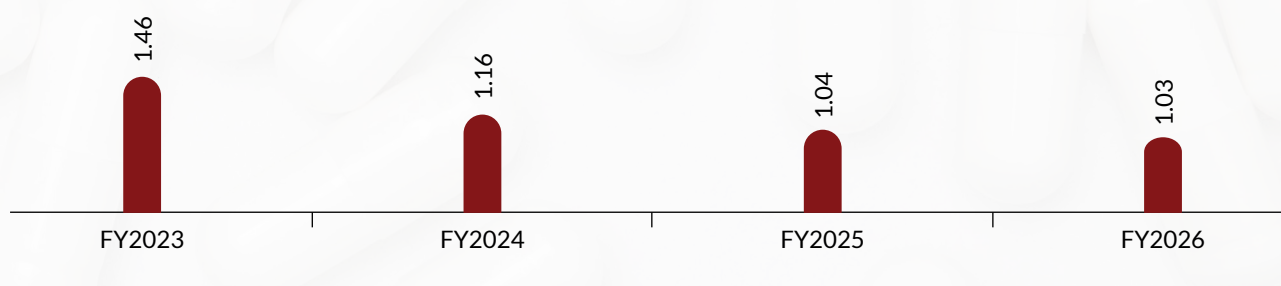
are committed to accelerate our decarbonization journey through channelizing our efforts in the direction of energy efficiency project implementation, electricity consumption optimization and adoption of low-carbon energy solutions across our operations.

Scope 2- Indirect emissions	Unit	FY2023	FY2024	FY2025	FY2026
Location based ⁴	Metric tonnes CO ₂ eq.	3,55,154	3,60,343	3,62,432	3,77,411
Market based	Metric tonnes CO ₂ eq.	3,52,678	3,23,237	3,19,559	3,36,537

Scope 1+2 Greenhouse Gas Emissions

Source	Unit	FY2023	FY2024	FY2025	FY2026
Scope 1+2 GHG Emissions- Market based	Metric tonnes CO ₂ eq.	4,19,881	3,68,844	3,58,288	3,79,511

Scope 1+2 GHG Emissions intensity- Market based (Emission in tCO₂e/ Revenue in INR Million)



³Beginning FY2026, our Scope 1 greenhouse gas inventory has been expanded to include emissions from refrigerants across owned and controlled facilities with prior-year emissions data retrospectively recalculated.

⁴In alignment with the GHG Protocol, beginning FY2026, we have started reporting Scope 2 emissions using the location-based method.

Indirect Greenhouse Gas Emissions (Scope 3)

In alignment with the GHG protocol, we quantify and disclose applicable categories of Scope 3 emissions across our value chain. For FY2026 we have increased the coverage of Scope 3 categories from 6 to 8. Estimating Scope 3 emissions accurately remains one of the most challenging aspects of our GHG accounting due to the complexity of value chains and limited availability of reliable data. We intend to keep improving estimation of Scope 3 emissions from our supply chain by means

improving the data quality, estimating GHG across the uniform boundary of the operation by further closely engaging with our supply chain partners.⁵

Purchased goods and services account for the largest share of our Scope 3 footprint, with additional categories covering the remaining scope 3 emissions in our operations. We also expect the purchase goods and services to be largest contributor to our scope 3 going forward.

Category	Source	FY2022-23 (tCO ₂ e)	FY2023-24 (tCO ₂ e)	FY2024-25 (tCO ₂ e)	FY2025-26 (tCO ₂ e)
1	Purchased Goods and Services	1,82,979.69	2,36,932.26	1,15,139.67	1,74,757.99
2	Capital Goods	-	-	-	22,690.89
3	Fuel and Energy Related Activities	99,160.91	87,269.91	92,465.51	87,677.58
4	Upstream Transportation and Distribution ⁶	45,941.10	28,254.50	44,019.50	38,051.14
5	Waste generated in Operations	5,275.10	6,476.99	7,444.00	5,285.22
6	Business Travel	3,794.42	4,443.20	4,713.67	33,639.75
7	Employee Commute	20,114.45	16,411.44	16,536.94	17,644.77
12	End of Life Treatment of Sold Products	-	-	-	22.16
Total		3,57,265.66	3,79,788.32	2,80,319.29	3,79,769.49

⁵Scope 3 emissions have been calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Category 6 covers 100% of our operations; Categories 3 and 5 covers 84 % of our operations. Category 7 covers 100% of our employees across all sites. The boundary of Categories 1, 2, 4 and 12 are currently limited to SPIL which covers 46%, India.

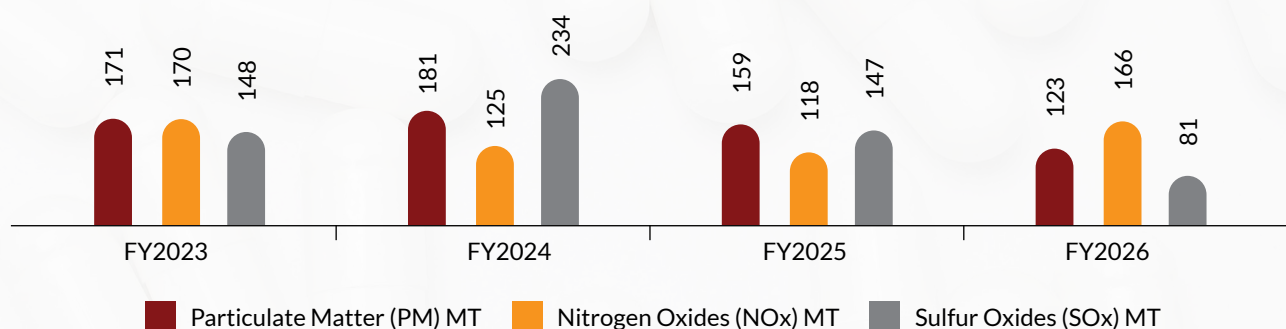
⁶Restatement: The number for Upstream transportation and distribution for the previous years have been updated due to change in methodology

Air Emissions and pollution prevention

Our boilers are equipped with Bag filters, scrubber or ESP to manage particulate matter and most of our boiler operates with biomass that contain sulphur content <0.5% resulting very low Sox emission from our operations. Further, our API plants are equipped with all prescribed pollution control equipment to manage PM, Sox, Nox from the plant.

We continuously monitor air emissions, including sulphur oxides (SOx), nitrogen oxides (NOx), and particulate matter (PM), to ensure levels remain within the limits prescribed by the Central and State Pollution Control Boards.

Stack Emissions (MT)



Waste and Pollutants

In the journey of creating life-saving medicines, the pharmaceutical industry also faces a challenge of managing the waste and pollutants generated along the way. As a pharmaceutical industry, we treat waste and pollutants as an important topic. At Sun, we believe reducing waste is not only about limiting harm, but about ensuring that the pursuit of healing people does not come at the cost of harming the planet.



Waste Management Programs

At Sun Pharma, our waste management strategy is centred 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. To reduce landfill disposal, we prioritize recycling and alternative waste management methods such as waste co-processing. In FY2026, approximately, 37.93% of hazardous waste disposed was co-processed. Regular internal audits are conducted to identify opportunities for improving waste management performance.

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 compliance with EPR regulations.

Two of our API operational sites have been certified as Zero Waste to Landfill by an external accreditation agency. We have adopted initiatives to divert hazardous waste toward co-processing and recycling, reducing reliance on disposal methods such as incineration and landfilling.

For each category of waste generated

Particulars (in MT)	FY2023	FY2024	FY2025	FY2026
Hazardous waste generated	32,033.46	32,353.58	33,306.74	33,478.67
Non-Hazardous waste generated	21,431.22	19,817.99	23,470.28	32,040.65
E- waste generated	9.51	19.53	15.38	15.21
Total Waste Generated⁷	53,474.19	52,191.10	56,792.40	65,534.53

For each category of waste diverted

Hazardous Waste				
Recycled	15,448.30	16,021.95	12,369.23	11,545.10
Re-used	0	0	36.78	6.58
Other recovery operations	0	13.18	23.59	133.47
Total	15,448.30	16,035.13	12,429.59	11,685.10
Non-hazardous Waste				
Recycled	20,059.71	14,383.29	17,983.08	34,231.01
Re-used	3.08	463.59	423.79	754.52
Other recovery operations	629.26	3,526.86	4,022.01	3,346.13
Total	20,629.05	18,373.74	22,428.88	38,331.66
E-waste				
Recycled	5.32	19.92	14.28	15.21
Re-used	0	0	0	0
Other recovery operations	0	0	0	0
Total	5.32	19.92	14.28	15.21

For each category of waste disposed

Hazardous Waste				
Incineration (with energy recovery)	998.23	150.22	366.07	45.5
Incineration (without energy recovery)	719.81	617.45	575.24	333.92
Landfilling	10,535.78	11,589.68	13,394.00	8,606.64
Co-processing	2,759.85	3,192.38	5,308.56	5,813.90
Other disposal operations	0	351.92	404.74	529.73
Total	15,013.67	15,901.65	20,048.61	15,329.68
Non-hazardous Waste				
Incineration (with energy recovery)	0	67.57	71.14	97.96
Incineration (without energy recovery)	41.3	8.82	0	0
Landfilling	552.38	828.89	829.25	1,018.66
Co-processing	0	0	0	0
Other disposal operations	0	1.81	5.74	1,837.94
Total	593.68	907.09	906.13	2,954.56

⁷The difference in waste generated and total waste disposed and diverted is noted due to treatment of legacy waste from previous year.

Water Management

Effective water management ensures operational continuity, regulatory compliance, and long-term business resilience. By aligning with global sustainability principles and adopting industry best practices, Sun Pharma aims to implement sound water management practices at watershed of its operation for effective management of the shared resource for its operations and the neighboring community.



Water Efficiency Management Programs

At Sun Pharma, we are committed to becoming water positive by 2030, with a strategic focus on sustainable water management guided by the principle of effective management of water at Watershed level. Our 4-R approach of water management (Reduce, Reuse, Recycle, and Recharge (4Rs)) prioritizes reducing reliance on groundwater, especially in water-stressed regions, and enhancing water efficiency across our operations. We conduct regular site water assessments and water balancing exercises to identify opportunities for improving water efficiency and conservation.

We have adopted several proactive initiatives to reduce source water consumption at our operations. We focus on optimizing heat load at our operations through use of low-grade heat and machine efficiency improvement as these not help us energy conservation but also water conservation at cooling towers. Heats pumps have been installed with this regard. 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

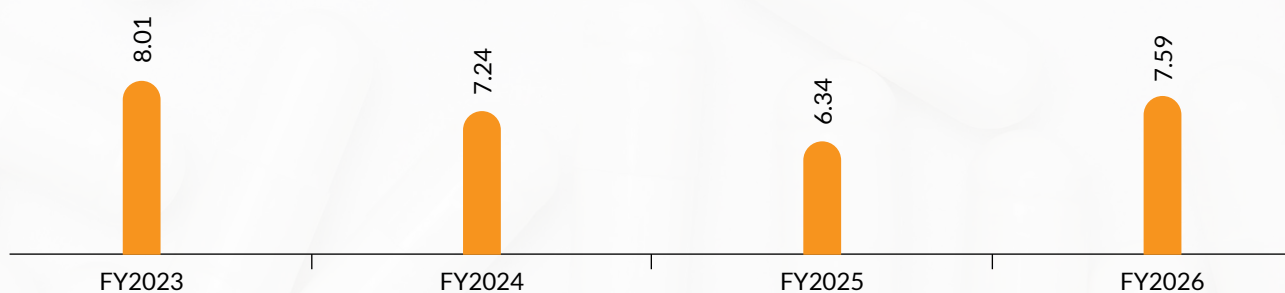
process. By transitioning from groundwater to surface water at several sites and installing flow-reducing nozzles, aerators, and sensor-based taps, we have achieved notable water reduction. We conduct regular water audits and promptly address any leakages to minimize losses and ensure operational efficiency. We 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 at our operations. We have implemented zero liquid discharge (ZLD) systems at 16 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.

10 of the 37 operations are located in water stress area resulting in about 29% of our overall water consumption from these water stress areas. Our rainwater harvesting initiatives help replenish water resources at the watershed level. we conduct training and awareness sessions for our employees and contract workers periodically at each site to promote water efficiency.

Key water stewardship initiatives implemented during FY2026 include:

Expanded Reverse Osmosis (RO) and Ultra-Filtration (UF) systems to enhance water recovery and reuse.	Recycled RO reject water and treated effluent to minimize freshwater consumption.	Recovered and reused treated wastewater for utility, process and ancillary applications.
Commissioned STP-MBR systems and reused treated water for ETP chemical preparation, equipment washing and gardening.	Implemented hot water recycling systems within production areas to improve water-use efficiency.	Enhanced steam condensate recovery to reduce freshwater withdrawal and Optimize water consumption.
Optimized cooling systems through high-efficiency chillers and smart controls to minimize cooling tower water losses.	Installed water-saving fixtures, including sensor-based taps, aerators and flow-reducing nozzles, across facilities.	Reused Air Handling Unit (AHU) drain water for secondary applications.
Evaluated and deployed Zero Liquid Discharge (ZLD) systems to maximize water recovery and minimize liquid waste generation.	Optimised Multiple Effect Evaporator (MEE) operations and strengthened source-level effluent segregation to improve wastewater management.	Integrated watershed development in drought-prone regions in Maharashtra and Gujarat.

Water Intensity (KL/Revenue in INR Mn)



Total Water withdrawal by source (KL)

Parameter	FY2023	FY2024	FY2025	FY2026
Surface water	6,96,295	4,47,578	4,46,219	8,13,040
Groundwater	15,69,983	13,25,943	13,23,383	15,87,030
Third party water	14,54,548	16,31,368	16,65,793	17,48,107
Total volume of water withdrawal (KL)	37,20,826	34,04,889	34,35,395	41,48,177

Total Water consumption (KL)

Total volume of water consumption (KL)	22,98,441	22,86,622	21,84,279	24,28,862
Water intensity (KL/Revenue in INR Mn)	8.01	7.24	6.34	6.57

Total Water Discharged by Destination (KL)

Surface Water	0	0	5,09,182	0
Groundwater	0	0	0	0
Seawater	0	0	0	0
Third Parties	14,22,385	11,18,266	7,41,934	17,19,315
Total water discharged (KL)	14,22,385	11,18,266	12,51,116	17,19,315

Water Withdrawal from water stressed areas (KL)

Surface Water	7,200	7,200	6,600	0
Groundwater	4,00,341	3,15,954	84,392	2,79,057
Seawater	0	0	0	0
Third Parties	53,998	53,930	7,41,005	9,23,419
Total water withdrawal from water stressed sites (KL)	4,61,539	3,77,084	8,31,997	12,02,476

Water discharge to water stressed areas (KL)

Surface Water	0	0	5,09,182	0
Groundwater	0	0	0	0
Seawater	0	0	0	0
Third Parties	6,308	6,662	1,01,877	96,995
Total water withdrawal from water stressed sites (KL)	6,308	6,662	6,11,059	96,995

Water stressed sites have been elaborated here: For sites based in India we refer to Central Ground Water Board (CGWB) guidelines and for the sites based out of India we refer to WWF Water Risk Filter. As per Central Ground Water Board (CGWB) water stressed areas considered for FY2026 are Ahmednagar, Dewas, Toansa, Mohali, Vadodara, Gurugram, Bengaluru and as per WWF Water Risk Filter for sites based out of India following sites at

Malaysia, South Africa and Israel has been considered while for FY2025 are Dadra, Dewas (API+SGO), Gurugram, Vadodara and as per WWF Water Risk Filter for sites based out of India following sites at Malaysia, South Africa and Israel has been considered. For the reporting year we have updated water stress area sites. Hence, the y-o-y is not comparable.



Climate Governance

Climate risk is part of our Enterprise Risk Management (ERM) Risk register. The Corporate Governance and ESG Committee at the Board level (led by Independent director) has been tasked with overseeing climate related risk management. This Committee review and provide oversight to management of company's climate related risks and opportunities, including the identification, management, and monitoring of vital risks related to climate change periodically and at least bi-annually. 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. The environment team is responsible for overseeing climate-related initiatives, tracking progress against climate targets and supporting implementation of climate resilience measures and providing regular updates to ESG Council & Board for 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 FY2023. 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 evaluating current institutional setup. We have covered short-term, medium-term, and long-term time horizons in our climate risk assessment.

Time Horizons	Horizon Definition	Targets
Short Term (0-5 years)	Short-term climate risks, identified as occurring within a 0 to 5-year timeframe	Short term target for environmental performances achieved in FY2025
Medium Term (5-10 years)	Medium-term climate risks, spanning a 5 to 10-year period	Established a goal to reduce absolute carbon emissions (Scope 1 and Scope 2) by 35% by 2030, using 2020 as the baseline
Long Term (10-30 years)	Long-term climate risks, defined as risks that may materialize beyond a 10-year time horizon	Achieve Net Zero 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. Physical climate risk data will be reassessed every five years from now until 2100. 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. For physical risk assessment at all locations, the following three climate scenarios are considered:

Our climate-related Physical Risk assessment is studied using the following scenarios:

SSP 1:
Sustainability
Taking the Green Road- leading to more than a 1-degree Celsius increase in temperatures by 2100.

SSP 2:
Middle of the Road- leading to more than a 2-degree Celsius rise in temperatures by 2100

SSP 5:
Fossil-fueled Development- leading to a temperature increase of over 4 degrees Celsius by 2100

Transition Risks and Scenario Analysis

To assess transition risk to business, we conducted a scenario analysis extending up to 2050. This evaluation relied on the Network for Greening the Financial System (NGFS) Scenarios. 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.
Below 2°C Scenario	It progressively tightens climate policies, providing a 67% probability of keeping global warming beneath 2°C.
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.
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.
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.

Risk	Impact	Risk Level
Political and Legal	Currently, there is no carbon pricing or tax implemented in India, however, our operations may face regulatory impacts in units located outside India due to varying carbon pricing or tax policies. Financial impact of implementing a carbon tax framework is estimated to be approximately INR 74.73 Mn. Therefore, we are undertaking initiatives and making investments to reduce our emissions across all sites, aligned with our target to decrease GHG emissions (Scope 1 and Scope 2) by 35% by 2030.	Low- Medium
Market	Amongst the different scenarios, three low-carbon transition scenarios indicate significant price increase in power and raw materials derived from coal, particularly after 2030. 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
Technology	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, 42.83% 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 GHG reduction and our strategic focus on renewable energy. We have established clear targets for reducing absolute carbon emissions, minimizing water consumption, and enhancing hazardous waste co-processing. In addition, we are also increasing the renewable energy share and implementing various energy efficiency initiatives. To further mitigate environmental impact, we have adopted Zero Liquid Discharge (ZLD) systems across several manufacturing facilities. As of now, 16 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 as elaborated in the 'Energy and Emissions Management' section (Please refer: Pages 75 and 79 of this report. These efforts have contributed to reducing our footprint 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. Having achieved our 2025 target of a 15% reduction in water consumption, we are now focused on progressing toward our 2030 goal. For further details, please refer 'Water Management' section on page 84 of this report.

Metrics and Targets

In order to achieve our target, 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 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. Once all planned



projects are operational, we anticipate annual savings of approximately INR2,355.5 Mn. To realize these benefits, we expect to invest around INR 8,165.4 Mn in a range of energy efficiency and renewable energy initiatives. 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	Performance in FY2026	% Reduction target from base year
Scope 1 + Scope 2 combined	Base Year- 2020 Target Year- 2030	Base year emissions- 4,51,068 MT CO ₂ e Percentage of total base year emissions- 100%	Scope 1: 42,973.33	35%
	Base Year- 2020 Target Year- 2050	Base year emissions- 4,51,068 MT CO ₂ e Percentage of total base year emissions- 100%	Scope 2- Market based:3,36,537 15.86% reduction in absolute emissions over the baseline	Target scope & related emission reduction target (as a percentage of base year emissions) Scope 1- 90% Scope 2- 90%



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 FICCI, ASSOCHAM amongst others. 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 Management

The world's economy and natural systems are deeply interconnected. While biodiversity and ecosystem services support approximately US\$58 trillion of global GDP, continued biodiversity loss could lead to economic damages of up to US\$5 trillion over the next five years, underscoring the cost of inaction.

As a company, we recognize the importance of maintaining an ecologically balanced world and mitigating the implications of biodiversity loss. We proactively manage

the biodiversity risk across our entire operations and our value chain through Biodiversity Policy. Our strategy for biodiversity management extends beyond regulatory compliance through Biodiversity Risk Assessments, Desktop Screening and Biodiversity Management Plan (BMP), to identify and mitigate risks. We work with our supply chain in managing the biodiversity risk through ESG screening and promoting biodiversity risk management further down the supply chain.



Target

Align with the Convention on Biological Diversity's goal of "living in harmony with nature by 2050 in line with our Biodiversity Policy



Performance in FY2026

Zero fines or penalties related to biodiversity violations in FY2026, BMPs in place



Initiatives Taken

Biodiversity Risk Screening, On-site assessments, no deforestation commitment in policy, BMPs in place, mitigation steps implemented



Our Biodiversity Policy lays the foundation for managing our Biodiversity related business risks and opportunities. The policy is applicable to all our operations and additionally extends to our value chain partners through encouraging them to promote biodiversity conservation and limit operational activities around biodiversity areas which are globally or nationally significant. At Sun Pharma, we promote **Zero deforestation and encourage afforestation at our operations and in our supply chain**, as also stated in our policy. The policy guides the defining of the biodiversity-related targets for priority areas to work towards achieving no net loss and creating Net Positive Impact (NPI). It outlines the application of the mitigation hierarchy and establishes clear accountability for implementation and oversight. Our Biodiversity policy has been endorsed by the Executive Management. (Read more about our [Biodiversity Policy](#))

Zero fines or penalties related to biodiversity violations in FY2026

Identifying and Managing Biodiversity Risk & Opportunities

In line with the recommendations of Task-Force on Nature Related Financial Disclosures (TNFD), we have adopted the 'LEAP' approach to assess impacts and dependencies. The approach is followed through the following steps:

Stage 1: Locate

Phase A:

- Sun Pharma undertook a desk-based screening using tools like WWF Biodiversity Risk Filter. The screening is done through adoption of location-based approach which helps in evaluating the site-specific Biodiversity dependency, related risks, and impacts; enables informed decisions.
- Total 31 sites of Sun Pharma were screened using WWF Risk Filters' global environmental dataset for physical, regulatory deficiency and reputational basin risks.
- Since each location of our operation is exposed to different risks due to the nature and conditions of the land- or seascape in which they operate, location-based screening and assessment of key sites help us identify material locations.
- The WWF Biodiversity Risk Filter assesses biodiversity-related risks across a range of ecosystem services. Physical risks are evaluated under four key categories: Provisioning Services, Regulating & Supporting Services, Regulating Services that mitigate

natural hazards and Cultural Services related to natural and cultural resources. In addition to these physical risks, the framework also considers potential reputational and regulatory risks arising from biodiversity loss and ecosystem degradation.

- The results of the desk-based screening have been elaborated below:
 1. **Physical Risk:** Amongst the 31 sites assessed, only 2 sites Gurugram and Mohali fall under very high-risk category assessed by WWF Biodiversity Risk Filter. At Gurugram location, we primarily have an R&D lab, which operates in complete compliance with the government norms and regulations, thereby having a minimal direct or indirect impact on biodiversity. Although the Mohali formulation facility has been classified as being under very high physical risk based on its geographic location, its operational activities are limited to the formulation, processing, and packaging of pharmaceutical products and do not involve chemical synthesis of APIs. Consequently, the facility is comparatively less resource-intensive and has a lower potential for direct environmental impacts than API manufacturing operations. Furthermore, the site has implemented robust environmental management practices, including responsible wastewater treatment, effective waste management, and resource-efficiency measures, to mitigate potential impacts and support environmentally responsible operations.
 2. **Regulatory Deficiency Risk:** None of the sites fall under very high-risk criteria. Sun Pharma complies with all applicable local regulations and has a dedicated Biodiversity Policy and SOPs in place to ensure regulatory adherence.
 3. **Reputational Risk:** None of the sites fall under very high reputational risk criteria as assessed through the WWF Biodiversity Risk Filter.

Phase B:

Based on the WWF risk screening, we carried out on-site assessments of 5 sites including Mohali, Paonta, Dewas, Halol and Guwahati.

Stage 2: Evaluate

Sector level impact and dependencies were assessed and identified using WWF Biodiversity Risk Filter tool. Insights from on-site assessments further helped evaluate the likelihood and severity of impacts in real-time conditions. Dependencies identified by the tool were analyzed at plant level to understand their operational significance. This approach has also been extended to our value chain partners.

Given that a significant portion of biodiversity impact arises from upstream activities, Sun Pharma addresses these risks through its Supplier and Third-Party Code of Conduct (Please refer: [Supplier & Third Party Code of Conduct](#). Third- Party and Suppliers are required to:

- Assessing and minimizing the impact of operations on local biodiversity.
- Avoiding operations in protected areas or areas of high biodiversity value wherever possible.
- Implementing responsible land management practices.
- Restoring habitats affected by operations where applicable.
- Considering biodiversity impacts in supply chain management

Stage 3: Assess

This step involved the assessment of risks and opportunities. Biodiversity risks were further identified using geospatial and on-site assessment (**Phase B: On-site Assessments**). The identified risks were discussed with both internal and external stakeholders. Accordingly, these risks were incorporated and revised biodiversity management plans were drafted.

Biodiversity Risk Assessment (on-site):

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.

- **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 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.

Stage 4: Prepare

Based on the findings of biodiversity risk assessment and adoption of LEAP approach, Sun Pharma has taken steps to realign biodiversity plans and set appropriate targets. Additionally, as elaborated in our biodiversity policy, Sun Pharma is committed to Zero Deforestation and Achieve

Net Positive Impact on biodiversity by 2050 in line with Convention on Biological Diversity's goal and promote the same to its value chain partner. Mitigation Hierarchy.

At Sun, we have a structured strategy in place to evaluate how our business depends on, and impacts the natural systems around our operations or the value chain. This in addition to the screening and on-site assessment enables us to prioritize and manage risks, seize opportunities, and develop as well as follow a mitigation hierarchy to address biodiversity risks:

Avoid

This is the first step of mitigation hierarchy and comprises measures taken to avoid creating impact from the outset. Sun Pharma undertakes environmental impact assessment before setting up a plant to ensure it does not harm areas of ecological importance.

Offset

Sun Pharma has committed to 'Net Positive Impact' on biodiversity, in line with the same, offset mechanisms are being incorporated in wider biodiversity management plan. This will compensate for any residual, adverse impacts after implementation of first steps of mitigation hierarchy.

Minimize

Sun Pharma undertakes effective minimization measures at all sites in form of water consumption reduction (refer water reduction target in other section of report), proper effluent treatment, waste management and scientific disposal etc. to reduce the impact of drivers of biodiversity loss.

Restore

Sun Pharma commits to taking restoration efforts if impacts cannot be completely avoided or minimized. As part of CSR activity, Sun Pharma has undertaken various initiatives to rehabilitate and restore degraded or removed ecosystem.

In the current financial year, Sun has planted **1,37,970 saplings** across 5 states (Maharashtra, Gujarat, Sikkim, Tamil Nadu and Madhya Pradesh)

Environmental Product Stewardship

At Sun Pharma, we evaluate environmental considerations alongside product performance during the development of new products. Integrating these aspects at the design stage helps minimize environmental impacts across the product lifecycle, improve resource efficiency, and address potential risks before commercialization.

- **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 and process efficiency measures to minimize water, energy, and material usage. In creating more sustainable pharmaceutical products, 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 equipments like RMG, compactor, or dryer without solvent use, which leads to shorter processing times, reduced energy consumption, less waste, and safer production.

These efforts aim to enhance environmental sustainability, improve process safety, and ensure regulatory compliance through product design, process redesign, and the adoption of safer alternative solvents in new development & lifecycle management projects. Product lifecycle management initiatives have been implemented for key products. Backward integration remains a key strategic priority, with several products benefiting from such integration.



- **Environmental Footprint at Distribution, Storage, and Transportation stages**

We have 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 FY2024-25, we had completed a full life cycle assessment of two products namely, Imipenem & Cilastatin 500 mg for Injection and Temozolomide Capsule 250 mg 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. Impact categories covered through this LCA included Land use, abiotic depletion, water depletion, acidification, dust & particulate matter, ecotoxicity, eutrophication, global warming, ozone depletion, photochemical ozone formation, human toxicity and Ionizing radiation. In the current calendar year, we are undertaking LCA for 15 new products based on their market relevance. These assessments will be using cradle-to-gate approach.

- **Sustainable Packaging**

Our initiatives for sustainable packaging focus on principle of circularity; minimizing packaging and promoting use of sustainable packaging wherever possible thus, promoting recycling and circular management of material. To achieve these goals, we have implemented several strategies including 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.

In FY2026, we have taken further steps to reduce our footprint through different packaging strategies:

- Transition from conventional FBB board to FSC-certified FBB board in the European Market for secondary packaging to promote responsible forest management and traceability through FSC Chain of Custody certification.
- we have eliminated the LDPE band film used in select US OTC product packaging following a comprehensive packaging redesign and validation exercise.
- We have implemented a packaging digitalization initiative by replacing traditional paper package inserts with QR-code-based consumer information on selected products. The project eliminated a packaging component, reducing paper consumption and packaging waste while maintaining consumer access to product information. with improved logistics efficiency across the supply chain. We have implemented an automated packing solution to replace manual packaging operations across selected product lines. project reduced process variability, minimized packaging defects, lowered rework requirements, and improved resource utilization.
- We have developed an easy-open aluminium lid for 'Prohance Diskette' products to improve consumer accessibility, usability, and overall product experience. The redesigned packaging enables easier product

access while maintaining required product protection, quality, and shelf-life performance. The initiative supports inclusive packaging design by addressing the needs of elderly consumers and individuals with reduced hand strength or dexterity. The project has helped reduce product spillage and wastage associated with difficult package access.

Product Risk Assessment

All our products are subjected to a risk assessment to evaluate their potential impact on human health and the environment. Additionally, we incorporate the principles of green chemistry in our operations, acknowledging its value in designing products and processes that reduce the use and generation of hazardous substances. 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 Harmonized System (GHS) for classifying and labelling chemicals, which is an international standard for categorizing, labelling, and communicating the hazardous properties of industrial and consumer chemicals.



Workforce Resilience and Wellbeing

The Strength to Scale. The Commitment to Care

AI, Digitization, and new ways of working are reshaping every aspect of the human capital management. We at Sun, strongly believe that our ability to retain, develop and engage holistically with our employees is central to our value creation. Therefore, our people strategy is not simply an HR priority but it is a strategic driver of innovation and resilience as we scale responsibly.



Target

Achieve **30%** female representation across our global workforce by 2040



Performance in FY2026

17.97% female representation across our global workforce



Initiatives Taken

Focused Hiring, Building Inclusive Culture, Employer Branding, Recognition and Celebration



Highlights



55,124

total workforce



23.83%

Share of women in all Management Positions



17.97%

Gender Diversity Ratio



28,54,267

Total Training Man Hours



INR 114.19 billion

Spent in Employee Expense

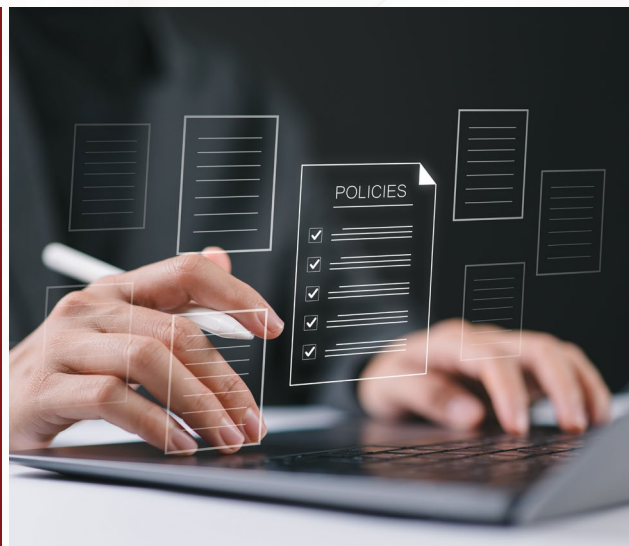
Our workforce comprises employees and workers with over 55,000 individuals working diligently to contribute towards impacting lives through making medicines accessible for all. Across the organization, our Human Resources (HR) teams enable and promote an open and inclusive culture that strengthens employee engagement, well-being, and collaboration. Led by Chief Human Resources Officer (CHRO), the HR function drives initiatives that strengthen

a culture of inclusion, belonging, and accountability. Additionally, our structured training programs, inclusive policies, employee development, wellbeing and recognition programs promote a culture of excellence.

In FY2026, our global workforce comprised 55,124 employees, with 72.01% permanent employees and 27.99% contingent workers, reflecting a diverse and dynamic talent base.

Key Policies

- 01 Global Code of Conduct outlines our company's commitment to Non-discrimination, prevention of Sexual Harassment, Human Rights Approach and Commitment
- 02 Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace
- 03 Human Rights Policy
- 04 Board Diversity Policy



Diversity, Equity and Inclusion

At Sun Pharma, we believe that the best ideas emerge when people with different experiences, perspectives, and backgrounds come together. Our business strategy is designed to ensure a respectful and inclusive workplace where our people feel valued. Moreover, we are also aligned with the United Nations Global Compact (UNGC) and the SDGs that advocate for gender parity at all levels.

Our Diversity, Equity, and Inclusion (DEI) Approach:



Equal Opportunity



Non-Discrimination



Meritocracy

We are committed to enhance gender balance across the talent pipeline by setting targets for the different levels of representation. During the reporting period, female workforce represented 17.97% of our global workforce. Looking ahead, we have set a diversity target to achieve 30% female representation across our global workforce by 2040. We remain committed to create equitable opportunities by actively promoting the inclusion of women in leadership roles, technical positions, and revenue-generating functions.

	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
FY2026 Performance	25.29%	26.39%	13.44%	24.23%	23.83%
Target for 2040	30%	40%	15%	30%	30%

At Sun, we maintain a zero-tolerance approach towards discrimination and harassment of any kind. Employees are encouraged to report any actual or potential violations of our Code of Conduct related to discrimination and harassment (both sexual and non-sexual) through the designated channels and grievance redressal mechanisms, as outlined in the Global Code of Conduct or as per the provisions of the Policy on Prevention, Prohibition and Redressal of Sexual Harassment.



Regular mandatory trainings conducted on POSH and on discrimination through GCOC



Workforce Breakdown by Nationality

Nationality	Share in total workforce (%)	Share in all management positions, including junior, middle and senior, Top management (%)
India	79.65%	77.44%
United States	3.17%	7.95%
Russia	2.90%	1.62%
Israel	1.98%	3.76%
Rest of World	12.30%	9.23%

We recruit skilled individuals across diverse age groups, fostering a competitive edge and leveraging a wide range of expertise to drive our value creation initiatives. In FY2026, individuals between the age groups of <30 years and 30-50 years comprised 43.96% and 46.28% of our workforce respectively. The remaining 9.76% of our workforce was aged >50 years.



Talent Management



14.73%

of Internal Positions were filled by Internal Candidates



27.29%

of new hires are women



42.55%

of New Hires under 30 years



Voluntary Turnover Rate in FY2026 was **11.21%** (FY2025: 13.57%)



Average amount spent per FTE on training and development in FY2026: **6518** (FY2025: 4753)



Average hours per FTE of training and development: **71.90 hours** (FY2025: 57hours)

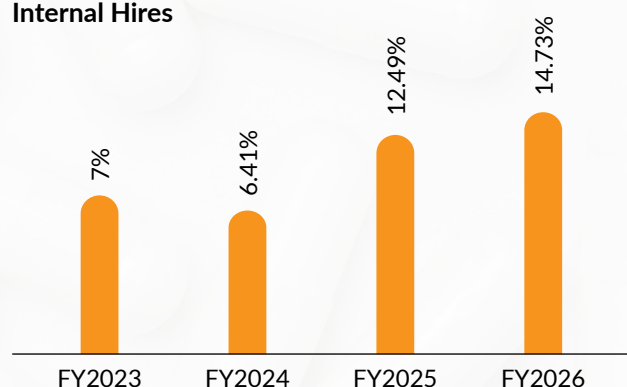
Talent acquisition and retention

At Sun, we remain committed to attracting, retaining, and nurturing a diverse talent pool through focused and inclusive hiring initiatives. Our recruitment strategy is anchored in two core principles: meritocracy and diversity. As an equal opportunity employer, we prioritize candidates' competencies, potential, and alignment with our corporate values and purpose throughout the hiring process.

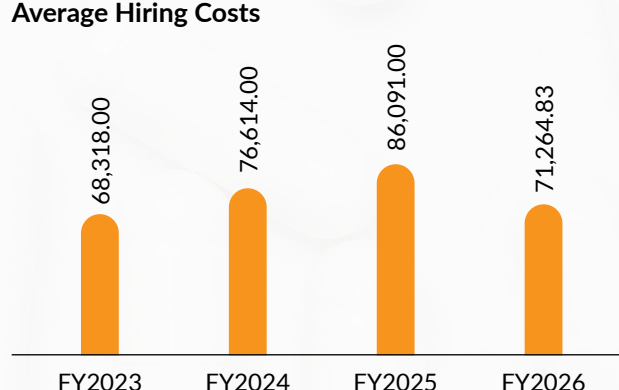
We source top talent through a robust and multi-channel recruitment approach, including internal job postings, employee referrals, campus hiring programs, and digital recruitment platforms.

In FY2026, our global employee (including India) base grew by 8727 employees with an internal hiring rate of 14.73%. For the reporting year, the average hiring cost per FTE was INR 71,265.

Internal Hires



Average Hiring Costs



In the current reporting year FY2026, the employee turnover rate was 18.37% with 11.21% being Voluntary Employee turnover rate. For the current reporting period, our employee turnover rate has decreased by 3.37% over FY2025, demonstrating success of our people-centric policies, career development programs, and employee engagement efforts in enhancing workforce stability and retention.

Employee Turnover

	FY2023	FY2024	FY2025	FY2026
Total Employee Turnover Rate	16.27%	19.12%	19.01%	18.37%
Voluntary Employee Turnover Rate	12.00%	11.89%	13.57%	11.21%

Talent Management and Development

Equipping employees with new and future-ready skills through a range of learning and development Programs not only accelerates their career trajectories but also helps harmonize their aspirations with our Company's strategic vision and business objectives.

Additionally, to build a resilient and sustainable talent pipeline, we continue to invest in key talent priorities through a range of focused programs and initiatives. Our comprehensive talent management approach, coupled with meaningful employee engagement and competitive remuneration, enables us to attract, develop, and retain talent while supporting long-term organizational growth and resilience.

Performance Management

Performance Management assessments are conducted throughout the year, and the process involves goal planning and goal setting, skill assessments, development needs assessment, mid-year evaluations and year-end reviews, strengthening our performance management strategy. We facilitate agile and informal two-way communication channels between managers and employees, along with team-based performance evaluations, promoting open communication and ensuring transparency in team-based performance appraisal and feedback. In the current FY2026, annual appraisal cycle was conducted for 100% of our eligible employees, through a management-driven systematic objective-led approach. 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

Training programs designed to build a Future-ready Workforce

- Technical Skill Development
- Leadership Development
- Data and Documentation Management
- Soft Skills and Behavioural Training
- Digital Tools Training
- Culture-building



Digital Training through access to training platforms



External as well as internal training experts



Employee exposure to seminars, conferences and forums

In our continued efforts, we have provided several in-depth learning avenues aligned with our organizational objectives and workforce aspirations. The L&D sessions are intended to empower employees at all levels and roles across the Organization. Our programs address diverse learning needs through individual growth plans and interactions with different business units, including trainings on different digital platforms within our organization. In addition to the trainings by internal experts, we also collaborate with external experts that enhances our ability to deliver flexible learning to our employees. We offer access to Programs such as Massive Open Online Courses (MOOCs) like LinkedIn learning and TED Talks. Learning extends beyond the workplace. By participating in industry conferences, seminars, and professional forums, our employees engage with thought leaders, peers, and experts from across the sector.

Our training modules encompass a range of topics, including compliance with the Global Code of Conduct, IT security, Health and Safety, Prevention of Sexual Harassment (POSH), etc. The other key trainings include Technical Skill Development, Leadership Development, Data and Documentation Management, Soft Skills and Behavioral training, Digital tools training, Cultural Development.

People Manager Development Program

Objective:

The People Manager Development Program 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.

Program Description:

This comprehensive program operates through four levels:

- **First-Time Managers:** Designed for newly appointed managers, this program equips them with essential tools and insights to perform their managerial roles effectively. In manufacturing teams, this is tailored as Supervisory Development, focusing on frontline leadership skills.
- **Operational & Functional Level:** This level builds core management capabilities to address organizational challenges from a strategic business perspective. It enhances participants' ability to track and analyze interventions for data-driven decision-making. Key interventions include: Manager as a Coach, Seven Habits of Highly Effective People, Emerging Managers, LEAD, IGNITE, SURGE, and others.

- **Strategic Level Program:** Aimed at senior leaders, this program prepares them to navigate volatile markets, cross-cultural dynamics, and evolving risk landscapes while driving strategic initiatives to enhance Sun Pharma's global competitiveness. Focus areas include: Executive MBA, Data Analytics, Design Thinking, Change & Culture Management, Digital Transformation, etc.

Outcomes and Business Impact in FY2026:

Organization-wide Reach

The program also extends to contractual and part-time employees within our company's own workforce, ensuring they are aligned with the organization's values and practices. This includes cultural education modules that foster a shared understanding of Sun Pharma's ethos and work culture. In FY2026, 100% of our managers participated in the People Development Program.

Operational Excellence

The training has had a profound impact on our organization, resulting in a measurable increase in productivity. Employee efficiency has led to a production increase of 9.5% compared to last year.

Sales Force Effectiveness Program

Objective:

A significant portion of our workforce, ~36% comprises front-line field employees. These individuals are considered the revenue generators of the organization, as they maintain direct contact with our customers, particularly the doctor community. Their development is therefore critical to Sun Pharma's sustained success.

Program Description:

The SFEP is designed to support their journey from a smooth 7-day induction to ongoing, timely training programs throughout their tenure at Sun. The program includes modules on:

- Sales force fundamentals
- Role responsibilities
- Product knowledge
- Marketing strategies
- Through this training, employees gain:
- Enhanced market readiness
- Innovative selling techniques

- Time optimization skills
- Effective customer communication

The program also fosters a strong sense of ownership and accountability, empowering employees to become passionate brand advocates who drive meaningful results for the Company. Its emphasis on trust-building further strengthens their ability to influence positive outcomes.

In addition, the SFEP incorporates cultural education to ensure that field employees are aligned with Sun Pharma's values, ethics, and organizational culture. This helps reinforce a unified identity and shared purpose across the sales force.

Outcomes and Business Impact in FY2026:

With approximately 80% of our sales force participates in the SFEP, the program has had a profound impact on our organization, contributing to a notable increase in revenue. We have observed a 14% growth in revenue compared to last year.

In FY2026, each employee completed an average of 71.90 hours of training. In the reporting year, we spent an average of INR 6,518 on training and development per employee.

Talent Engagement

We actively encourage our teams to share ideas and suggestions, building a culture of innovation and collaboration to achieve operational excellence. Our engagement strategy prioritizes continuous, transparent communication, enabling us to build synergistic relationships founded on mutual trust.

Employee Engagement Survey

At Sun, we leverage diverse engagement platforms and forums to connect with our employees, understand what matters most to them, and inspire a culture of growth, collaboration, and purpose.

We also 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



Stress levels



Purpose



Happiness

Employee feedback gathered through the survey continues to shape our approach to business practices, values, and culture.

Different Employee Engagement Forums:

1. Townhalls
2. Leadership Addresses
3. Skip-level Meetings
4. Team Meetings/Departmental Briefings
5. Manager Conversations
6. Business Strategic meetings

Employee Benefits

To ensure alignment with evolving needs, we regularly benchmark our employee benefits and opportunities with the current market trends. This proactive approach extends to our diverse global teams and their families.

Fair Compensation

Our compensation structures are designed to provide fair and competitive remuneration ensuring adequate wages at or above cost of living estimates or benchmarks, adhering to the local laws and regulations, acknowledging our employees' contributions. These Programs are aligned with industry standards, benchmarked against peers, and guided by global reward practices and recommendations from independent compensation advisors. The NRC (Board Committee) is responsible for overseeing and managing the Remuneration Policy and procedures. Additionally, from the point of hiring and throughout the employee lifecycle, we adhere to all applicable government laws and regulations governing minimum wages across our operations⁵.

As part of our commitment to responsible employment practices, we ensure that employees are paid fair and equitable wages that align with or exceed cost-of-living benchmarks defined by local jurisdictions. This reflects our focus on supporting the financial well-being of our workforce. We also closely monitor working hours, including overtime management, to help maintain a healthy work-life balance and avoid excessive workloads. Where overtime is required, employees are duly compensated in accordance with applicable laws and company policies, consistent with our commitment to responsible and ethical employment practices and labor standard.

Gender Pay Assessment

We routinely monitor the gender pay gap across our operations to achieve equal remuneration for men and women, better understand compensation trends and identify opportunities for improvement.

Employee Level	Average Women Salary in INR	Average Men Salary in INR
Executive level (base salary only)	2,30,12,140.93	2,30,91,239.94
Executive level (base salary + other cash incentives)	3,34,04,182.43	3,13,39,303.22
Management level (base salary only)	56,31,984.35	28,61,288.04
Management level (base salary + other cash incentives)	69,84,837.29	32,43,875.15
Non-management level (base salary only)	12,34,426.21	7,35,790.67

Other Key Benefits

Employees also have access to 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, complemented by facilities such as on-site lactation facilities, in-house creche facility, and partnerships with nearby creches/childcare centers.

We provide comprehensive benefits like insurance policies. Furthermore, in the US, 355 employees (accounting for 0.89% of total 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.

Additionally, recognizing the importance of overall well-being, we ensure that employees avail themselves of their paid annual leave entitlements. We prioritize a safe and inclusive working environment by engaging regularly with workers' representatives and conduct regular dialogue with them aimed at improving working conditions. We are committed to expanding social protection for all employees and workers through comprehensive coverage of health and employment-related benefits.



Global parental leave [#]	Professional allowance [*]
Medical insurance [#]	Housing allowance ^{*#}
Accident insurance [#]	Education allowance for school fees [*]
Life insurance [#]	Phone allowance [*]
Car allowance [*]	Meal allowance [*]
Transportation allowance	Variable/Performance pay for certain employee categories [*]

*These provisions are contingent upon the HR Policy of the individual global locations

[#]Benefits provided to employees and workers

Human Capital return on Investment for the FY2026 was 2.44.

	FY2023	FY2024	FY2025	FY2026
a) Total Revenue (INR)	4,45,20,20,00,000	4,98,51,04,00,000	5,45,43,48,00,000	6,04,33,76,00,000
b) Total Operating Expenses (INR)	3,47,68,32,00,000	3,80,30,36,00,000	4,01,13,50,00,000	4,40,07,40,00,000
c) Total employee-related expenses (INR)	82,96,03,00,000	94,29,06,00,000	99,73,12,00,000	1,14,18,86,00,000
Resulting HC ROI (a - (b-c)) / c	2.18	2.25	2.45	2.44
Total Employees	43,394	51,752	51,776.00	55,124



Human Rights

At Sun Pharma, we are committed to maintaining inclusive, transparent, and accountable operations that safeguard our people and assets while respecting the rights and dignity of every individual connected to our business and value chain.

Our Human Rights Commitment

Sun Pharma is committed to respecting internationally recognized human rights. We support the spirit and provisions of the Universal Declaration of Human Rights and the subsequent guidance set forth in the United Nations Guiding Principles on Business and Human Rights. Sun Pharma conducts business in accordance with the highest degree of integrity and in compliance with applicable laws, which includes recognising and

respecting human rights. Sun Pharma prohibits all forms of slavery and human trafficking within our entire supply chain and businesses in accordance with the Code of Conduct. Sun Pharma also prohibits all Personnel from using forced, bonded, indentured, or illegal child labour and from supporting, promoting, or engaging in slavery or human trafficking. For further details, please refer: Microsoft Word - [Sun-Pharma-Human-Rights-Policy.pdf](#)

Our Commitment to Human Rights and Non-

discrimination: Our commitment to respect Human Rights at the group level is enshrined in our Human Rights Policy. The UNGPs framework of protect, respect, remedy places the responsibility of monitoring, upholding and managing our human rights impacts as a business, no matter where we operate. We uphold our commitment to human rights and anti-discrimination practices by enforcing our Human Rights Policy across our global operations. We have set clear expectations in the Human Rights policy where employees, contractual staff, vendors, suppliers, business associates and other value chain partners shall abide by the value system laid down in the Human Rights policy.

We ensure sufficient open channels of communications and grievance redressal mechanisms to deal with stakeholder concerns on human rights in a just, fair and prompt manner. According to the expectation given in UN Guiding Principles on Business and Human Rights, we provide a

grievance channel for our stakeholders which has been set up under our Whistle Blower Policy (ombudsmanSPIL@sunpharma.com). We seek to identify the adverse human rights impact of our business on all the relevant stakeholders, and correspondingly account for addressing these impacts through effective corrective actions. ([Read more about our Human Rights Policy](#))

In the FY2026, we received 49 discrimination complaints, of which five were pending closure as on end of the reporting year, having an effective and timely closure rate of 89.80% of the discrimination cases. Additionally, we also recognize and support employee representation, with management-recognized workforce unions in applicable regions across our global manufacturing facilities, covering 10.25% of our workforce as at the end of reporting year.



Our Human Rights commitment is further supported by a comprehensive set of policies covering sustainability, health, safety and security, and ethical practices, all aligned with the principles of the UN Guiding Principles on Business and Human Rights (UNGPs).

Sun Pharma acknowledges that respecting and supporting human rights is an integral part of its responsibility. Human Rights Policy Principles:

- | | |
|--|---------------------------|
| 1. Prohibition of child labour, forced labour and human trafficking | 3. Freedom of Association |
| 2. Inclusion | 4. Work-life balance |
| <ul style="list-style-type: none"> • Equal Opportunities • Non-discrimination • Merit-based processes | 5. Remuneration |
| | 6. Workplace Security |



Human Rights Due Diligence Process and Assessment:

At Sun Pharma, we strive to identify the adverse human rights risks arising due to our operations or the impacts of our business on all the relevant stakeholders including our own operations, value chain and other business activities as well as in new business relations. We correspondingly and proactively 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 business ethics, and specific concerns including freedom of association, right to collective bargaining, equitable working conditions, fair remuneration, child labor, forced labor, human trafficking and discrimination.

Additionally, in the last three years, we have proactively assessed potential human rights issues across 100% of our company owned operations, to identify potential risks & issues and review existing risk mapping and address them proactively. Zero 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 evaluate our suppliers for human rights-related risks during the screening and assessment process. These assessments (own operations & suppliers) included vulnerable groups such as our employees, third-party employees/personnel, children, as well as our suppliers and business associates. Furthermore, all our locations have implemented mitigation plans to address the human rights-related risks discussed above.

Employee Awareness on Human Rights Policies and Procedures: To create awareness on human rights issues, we offer specialized training sessions to our workforce accessible via our Learning Management System. These training initiatives are designed to enhance awareness and knowledge, and build a culture that values respect, fairness, and equality. In FY2026, 23% of our security personnels were trained on Human Rights.



Zero Tolerance Policy towards Child and Compulsory/Forced Labor

We ensure to not employ anyone below 18 years of age, aligning with our firm's commitment to ethical and good labor practices. We strictly prohibit forced or compulsory labor and do not engage with suppliers or vendors who employ such practices.



Freedom of Association

We adhere to local labor laws, valuing the importance of fair wages, freedom of association, participation, and right to collective bargaining in our operations. We prioritize building an environment that consistently upholds and safeguards employee rights. In support of this, our employees have the right to join, form, or refrain from any employee collectives without fear of retaliation, harassment, or intimidation in any manner. Our management-recognized employee union (wherever applicable across global manufacturing locations) represents 10.25% of our workforce as of March 31, 2026.



Employee Awareness on Human Rights Policies and Procedures

We are committed to upholding human rights by providing employees with targeted training through our learning management System. These Programs are designed to enhance awareness and understanding, fostering a workplace culture built on respect, fairness, and equality.

We diligently comply with all the applicable Human Rights laws and regulations. In FY2026, we received 14 complaints, of which none of the cases were pending resolution at the end of the reporting year. All reported cases were handled with the utmost confidentiality and diligence, with appropriate actions taken to address the concerns and support a fair resolution.



Human Rights Protection and Due Diligence Efforts

At Sun Pharma, we strive to identify the adverse human rights impact on our business on all the relevant stakeholders and correspondingly account for addressing these impacts through corrective actions. Our efforts cover various areas such as labour standards, health and safety, environmental practices, corporate ethics, and specific topics like freedom of association, right to collective bargaining, safe working conditions, fair wages, child labour, and discrimination.

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.



Ensuring Employee Well-being, Health, and Safety

In an industry where workforce well-being, operational excellence, product quality, and patient safety are intrinsically linked, a strong occupational health and safety culture is essential to business resilience and long-term success. We also understand that it can influence our social license to operate, human capital management, and long-term business resilience.



Target

'Zero Harm' target in terms of incidents and injuries to people
LTIFR target for FY2026 was **0.158**



Performance in FY2026

Zero Fatalities
0.094 LTIFR, with a **50%** decrease
in FY2026 over the target



Initiatives Taken

Implementation of EHS Policy,
ISO 45001 certified sites, regular
audits, Hazard Identification,
Risk Assessment and Incident
Investigation, safety awareness
and initiatives

HEALTH & SAFETY Highlights FY2026:



50.85 million

Manhours of safety training
provided to employees and
workers



Zero Fatality



We are guided by our commitment to
Zero Harm across our operations by
providing a safe work atmosphere to
our employees, contractors, visitors,
neighboring communities and aim
towards becoming an incident and injury
free company.



Living Safety Culture

1. Visible Leadership Engagement: Scheduled EHS rounds by Site Leadership Team (SLT), Shift In-charge and Block In-charge
 - b. EHS training
 - c. EHS pep talks
2. Engagement of employees: Departmental EHS meetings and EHS theme promotional month
3. Line accountability in EHS: Involvement of department personnel in standard implementation
4. Competence and Capability Development:
 - a. EHS-CONNECT for effective communication
5. Townhall
6. Safety Committee Meetings
7. Discussion and CAPA development for Past Safety Incidents
8. Near Miss logging
9. Observance of awareness weeks like Road Safety, Fire Safety amongst others

Policies and Standards

Our Environment, Health & Safety (EHS) Policy, approved by the Board, serves as the foundation of our approach to health, safety, and environmental management. The policy is applicable to our company's entire operations and extends to employees, contractors, visitors, communities, and all individuals working under our Company's supervision.

The policy has been developed in compliance with relevant OHS international standards and regulations, such as ISO 45001:2018. It is been embedded into day-to-day business practices through a structured EHS governance framework, effective risk management processes, and a systematic approach to identifying and addressing risks and opportunities through Consultation with and participation of workers, and, where they exist, workers' representatives. We have a commitment to continually improve the performance of the OHS management system and our policy promotes this through safety awareness and responsible workplace behaviors through regular training, engagement, and capability-building initiatives. To drive continual improvement, we establish and periodically review EHS objectives and targets, while closely monitoring progress against these defined performance indicators, which ensures prioritization and action plan development in key areas.

Our Proactive Approach to Occupational Health & Safety

Our EHS management system is guided by a commitment to achieving 'Zero harm'. Beyond meeting applicable legal and regulatory requirements, we strive to adopt leading industry practices that support the health, safety,

and wellbeing of our workforce and other stakeholders. By aligning our EHS framework with internationally recognized standards, including ISO 45001:2018, we maintain a preventive and systematic approach to managing occupational health and safety risks.

Given the nature of pharmaceutical manufacturing and the associated exposure to chemicals, equipment, and process-related hazards, our facilities are subject to regular audits and assessments. These are supported by established governance mechanisms that monitor the implementation and effectiveness of EHS controls, ensuring operational discipline and a safe working environment across all sites.

Safety Governance

Safety oversight is led by our EHS leadership team, spanning Area Managers, Functional Heads, and Operations leadership across all locations. Safety requirements are defined through comprehensive EHS policies, guidelines, and protocols aligned with ISO 45001:2018 and applicable local regulations. Safety teams collaborate to establish EHS standards, prioritize resource allocation, evaluate emerging risks, and guide the implementation of safety initiatives across the organization. Through regular training Programs, workforce engagement activities, leadership interactions, site-level reviews, and inter-site audits, safety remains an integral part of how we operate. Our sites are subject to various third-party audits and assessments, including SEDEX and SMETA, PSCI among others. These external reviews provide a comprehensive perspective on our Environmental, Health and Safety (EHS) performance. Recognizing that safety is fundamentally a matter of culture, our approach emphasizes continuous leadership involvement, everyday accountability, and active participation at all levels of the organization, ensuring that safe practices are embedded within decision-making and routine operations.

Global EHS Focus Areas:

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

Audit

17

sites globally are ISO 45001:2018 certified

5

Number of Self-audit conducted

1

Number of Corporate audit conducted

8

Number of Third-party audit conducted

Governance

EHS Policy, EHS management system, and Global EHS standards

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 serve 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: Scheduled EHS rounds by Site Leadership Team (SLT), Shift/ block in-charges and EHS professional
- Engagement of employees: Departmental EHS meetings and EHS theme promotional month

- Line accountability in EHS: Involvement of department personnel in standard implementation
- Competence and capability:
 - » EHS-CONNECT for effective communication
 - » EHS training
 - » EHS pep talks

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, strengthening our commitment to holistic health and well-being. Before onboarding, all prospective employees are required to undergo pre-employment health checkups for fit to work certification. In addition to these initial assessments, we offer regular health check-ups at all our sites facilitated through professionally certified health centres, with qualified nurses and doctors committed to

monitoring employee's health and responding promptly to medical emergencies. In alignment with our Global Code of Conduct, we ensure that patient health records are kept confidential. To further support the health and well-being of our personnel, we provide comprehensive health insurance plans that cover all employees. We also organise a variety of health focused initiatives designed to promote healthier lifestyles. Our ongoing commitment includes regular webinars and awareness programmes that address a range of critical topics such as nutrition, mental health, meditation, ergonomics, stress management and the prevention of lifestyle-related diseases. The benefits of these health-centered Programs are also extended to contractual employees, encouraging their participation. Through these comprehensive efforts, we aim to foster a culture of health and well-being throughout our organization.

Hazard Identification, Risk Assessment and Incident Investigation: 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.

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 are committed to supporting 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:



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.

Across our workforce, we delivered a total of 50.85 million hours of safety training during the year.

Safety Performance against our key KPIs

For FY2026 our combined Lost Time Injury Frequency Rate target for employees and workers combined was 0.158 against which the reported Lost Time Injury Frequency Rate for employees and workers was 0.094. We continue to pursue our goal of zero fatalities across all operational sites and have successfully maintained a zero-fatality record for three consecutive years, including the current year.



Sustainable Supply Chain

Recognising that product accessibility underpins sustainable value creation, we at Sun, have implemented a comprehensive supply chain management framework. This system seamlessly combines logistics, procurement, production planning, and inventory control to ensure operational excellence and reliability throughout the organization. Our supply chain management system works diligently to ensure that we manufacture and supply products in line with market demand. To ensure efficiency and effectiveness, our procurement and supply chain policies, systems, and processes are regularly reviewed under the guidance of senior management. These evaluations aim to align our operations with industry

best practices and strategic objectives, enabling the identification of areas for improvement and enhancement of overall processes. 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. In FY2026, our supply chain remained stable with no significant changes or modifications.

Supply Chain Approach – Foundational Pillars



PROCUREMENT

Our procurement team plays a critical role in maintaining an uninterrupted supply of raw materials, as well as primary and secondary packaging components and finished formulations. This proactive approach supports the consistent development and production of APIs and formulations, ensuring their availability in key markets and contributing to our broader sustainability and healthcare access goals.



PLANNING AND INVENTORY MANAGEMENT

Our integrated management system leverages Distribution Requirement Planning (DRP), Market Requirement Planning (MRP), and other advanced planning tools to accurately assess inventory needs and efficiently manage supply chain operations. This data-driven approach enhances responsiveness, reduces waste, and supports sustainable delivery of products to the markets we serve.



DISTRIBUTION, LOGISTICS & FINISHED GOODS DELIVERY

Our distribution and logistics team works in close coordination with the supply chain function to ensure the timely and efficient delivery of finished goods and services. This collaborative approach strengthens our ability to meet market demands reliably, supporting our commitment to operational excellence and patient access.

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.

An Overview of Our Supply Chain Operations



Purpose in Every Link

Sun Pharma integrates sustainable procurement within its overall ESG framework through strong governance and clearly defined accountability. Board led **Corporate Governance & ESG Committee** provides oversight to implementation of the supplier ESG programs, sustainability related risks and opportunities within the supply chain at the Board level. A top management Supply Chain Executive, along with the supply chain team, is actively leading efforts to integrate ESG principles and practices throughout our supply chain. Our company's ESG Council (consisting of members from top Executive Management) regularly reviews integration of sustainability practices in supply chain and support required.

We have a structured framework of policies and standards that complies with global industry benchmarks to promote

ethical, responsible, sustainable, and transparent practices throughout our operations and the suppliers' network.

We also have a **Supplier & Third- Party Code of Conduct**, which lays out necessary expectations for suppliers on ethical business conduct, human rights and labor standards, health and safety, environmental responsibility and compliance with other applicable laws. Furthermore, our Global Code of Conduct applies not only to employees but also to suppliers and third-party business partners, ensuring adherence to ethical business practices and prohibiting corruption, anti-competitive behavior, and conflicts of interest.

Pillars of Sustainable Supply Chain as per Sun Pharma's **Supplier & Third- Party Code of Conduct** are given below. For further details, please refer: [Supplier & Third Party Code of Conduct](#).



All suppliers and third-party business partners are required to sign and acknowledge adherence to the Sun Pharma's Supplier & Third- Party Code of Conduct during onboarding along with reconfirmation of their compliance periodically and in case of significant changes, as determined by company management. Supplier's business practices and adherence to Supplier Code of conduct is regularly reviewed by the procurement team. to avoid potential conflicts with ESG requirements. Read More About Our Supplier & Third Party Code Of Conduct: [Supplier & Third Party Code of Conduct](#).

Effective Supply Chain Monitoring

Within our supply chain operations, we have implemented a robust monitoring system to effectively identify, assess, and mitigate ESG risks. Our strategy leverages structured principles and checklists to systematically evaluate potential ESG 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. Supplier 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 and safety
- human rights
- labour practices
- Working conditions
- environmental sustainability
- biodiversity
- environmental management systems
- transparency, and

During our screening and assessment processes, we have set criteria for minimum ESG requirements, based on the outcomes of these assessments, we also collaborate with our suppliers to develop and implement corrective action plans. Suppliers with no improvements y-o-y are excluded from contracting if they cannot achieve minimum ESG requirements within a set timeframe. Additionally, we have set a preferential criterion under which suppliers with better ESG performance are preferred by applying a minimum weight to ESG criteria in supplier selection and contract awarding.

Actions taken to ensure sustainable supply chain

- **Supplier Screening-** Sun Pharma has established a structured supplier screening and evaluation process across its supplier base considering various

aspects including environmental, social, governance and business relevance. As an initial step, suppliers are assessed through a desk-based review using publicly available and internal information. Critical suppliers are identified as those that are essential to business operations and contribute significantly to our company's competitiveness, typically through strategically important products, services, high-value contracts, or substantial procurement spend.

The screening considers a range of risk factors, including country-specific, sector-specific, and commodity-related ESG risks, along with spend exposure, supplier criticality, Small and Medium Enterprise (MSME) and overall business relevance. As part of the evaluation, suppliers are reviewed against parameters such as compliance with applicable laws and regulations, instances of anti-corruption or bribery-related concerns, quality management practices, respect for human rights, occupational health and safety performance, employee well-being initiatives, environmental footprint and resource utilization practices, as well as the nature of the business relationship and prevailing market conditions. This screening activity enables Sun Pharma to identify and prioritize suppliers that may require further due diligence, engagement, or risk mitigation measures.

- **Supplier Due Diligence & Risk Assessment - Supplier ESG Assessment Process:** As part of our commitment to sustainable procurement and responsible supply chain management, we conducted a comprehensive ESG (Environmental, Social, and Governance) supplier desk assessment of our suppliers using the a third-party (Synesgy) platform, along with systematic verification of evidence.
 - » Relevant critical suppliers were invited to participate in the ESG assessment through the Synesgy platform.
 - » 64 suppliers with different portfolios, supplying different product and services to Sun were assessed, through electronic based system with secure access to the ESG questionnaire using below ESG criteria.



- **Environmental:** Energy consumption, emissions management, waste management, resource efficiency, environmental policies, and climate-related initiatives.
- **Social:** Employee welfare, health and safety, diversity and inclusion, human rights, labor practices, and community engagement.
- **Governance:** Business ethics, anti-corruption measures, compliance systems, data protection, risk management, and organizational governance practices.
- » Suppliers were requested to provide supporting documentation where applicable, including policies, certifications, procedures, and sustainability disclosures.
- » Synesgy validated questionnaire responses through its assessment methodology and scoring framework.
- » Based on the responses provided, Synesgy generated an ESG assessment score and rating for each supplier.
- » Suppliers were categorized according to their level of ESG maturity and risk exposure.
- » Each assessed supplier received an Automated Action Plan as per data provided.
- » ESG risks and improvement opportunities were identified through the assessment results.
- » The organization reviews supplier ratings/scores to prioritize engagement with suppliers requiring ESG performance improvement.
- **Alignment with Sustainable Procurement Objectives**
The supplier assessment contributes to:
 - » Enhanced supply chain transparency.
 - » Identification and mitigation of ESG-related risks.
 - » Integration of sustainability criteria into supplier evaluation processes.
 - » Promotion of responsible business practices throughout the value chain.
 - » Support for the organization's sustainability reporting and ESG disclosure requirements.
 - » In addition to this, supplier on-site assessments are carried out by CQA for various parameters including Sustainability.
- **Capacity Building & Development-** 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. As part of our development efforts, we organize 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. We continuously engage, educate, and train employees working with company's procurement department and key internal stakeholders on their roles and responsibilities within the Supplier ESG Program, ensuring that the Supplier and Third-Party Code of Conduct is consistently embedded and upheld across all purchasing decisions and supplier interactions.

Supplier Assessments conducted:

Supplier Assessment	FY2026
1.1 Total number of unique suppliers	500
1.2 Number of unique significant suppliers	64
1.3 Number of unique significant suppliers supported with development measures (as a subset of 1.2)	NA
1.4 Number of unique significant suppliers assessed via desk assessments/on-site assessments (as a subset of 1.2)	64
1.5 Number of unique significant suppliers assessed with substantial actual/potential negative impacts (as a subset of 1.4)	NA
1.6 Number of unique significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan (as a subset of 1.5)	NA
1.7 Number of unique significant suppliers with substantial actual/potential negative impacts that were terminated (as a subset of 1.5)	NA
The data has been third-party verified Yes/No	YES

Key Supply Chain Initiatives

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

Inclusive Sourcing Program

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. 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. Our Inclusive Sourcing Program is based on ethical, fair, and unbiased supplier selection with approximately 68% of sourcing undertaken locally (numbers reported are for SPIL).



GRI Index

GRI Standards	GRI Disclosure	Response						
GRI 2: General Disclosure 2021	GRI 2-1: Organizational details	Overview Report: Page 02 (About Sun Pharma) Annual Report 2025-26: Page 4 of 344 (Sun Pharma at a Glance)						
	GRI 2-2: Entities included in the organization's sustainability reporting	Overview Report: Page 01 (About the Report- Scope and Reporting Boundary)						
	GRI 2-3: Reporting period, frequency, and contact point	Overview Report: Page 01 (About the Report)						
	GRI 2-4: Restatements of information	Overview Report: Page 80 (GHG emissions performance management)						
	GRI 2-5: External assurance	Overview Report: Page 133 (Assurance Statement)						
	GRI 2-6: Activities, value chain, and other business relationships	Overview Report: Page 02 (About Sun Pharma), Page 115 (Sustainable Supply Chain) Annual Report 2025-26: Page 4 of 344 (Sun Pharma at a Glance)						
	GRI 2-7: Employees	Overview Report: Page 99 (Diversity, Equity and Inclusion) Further, the table below provides details on our workforce by gender, age and workforce category for FY2026						
		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	53	9	121	27
		Senior Management (G8 to G6)	0	0	448	87	366	93
		Middle Management (G10 to G9A)	60	36	1,996	618	494	212
		Junior Management (G11B to G11A)	166	155	2,961	806	538	211
Non -Management (G13 to G12A)		1,964	857	3,278	912	461	266	
Field Employees		9,414	694	8,220	1,531	822	488	
Executives on Contract / Off-roll	823	473	13	19	2	1		
GRI 2-8: Workers who are not employees	Permanent Worker Category (B)	<30 years		30-50 years		>50 years		
		Male	Female	Male	Female	Male	Female	
	Permanent Associates	1,398	178	4,085	373	943	309	
	Non-permanent Worker Category (C)	<30 years		30-50 years		>50 years		
		Male	Female	Male	Female	Male	Female	
	Casual Labour	0	2	2	9	1	2	
Contractual Labour	6,506	1,504	70	24	12	11		

GRI Standards	GRI Disclosure	Response
GRI 2: General Disclosure 2021	GRI 2-9: Governance structure and composition	Overview Report: Page 04 (Corporate Governance & Ethics - Charting a Legacy of Ethical Leadership) Annual Report 2025-26: Page 16 of 344 (Board of Directors)
	GRI 2-10: Nomination and selection of the highest governance body	Overview Report: Page 05 (Corporate Governance & Ethics - Committees of the Board), Page 06 (Board Accountability) Annual Report 2025-26: Page 88 of 344 (Board Committees)
	GRI 2-11: Chair of the highest governance body	Overview Report: Page 06 (Corporate Governance & Ethics - Board Independence)
	GRI 2-12: Role of the highest governance body in overseeing the management of impacts	Sun Pharmaceuticals Industries Limited- Overview Report: Page 05 (Corporate Governance & Ethics- Board Committees), Page 10 (ESG Governance Oversight and Accountability)
	GRI 2-13: Delegation of responsibility for managing impacts	Overview Report: Page 04,10 (Corporate Governance & Ethics - Charting a Legacy of Ethical Leadership, ESG Governance Oversight and Accountability)
	GRI 2-14: Role of the highest governance body in sustainability reporting	Overview Report: Page 05 (Corporate Governance & Ethics - Board Committees), Page 10 (ESG Governance Oversight and Accountability) Sustainability Report FY2026
	GRI 2-15: Conflicts of interest	Overview Report: Page 11 (Business Ethics- Commitment to Ethical Conduct: Global Code of Conduct) Annual Report 2025-26: Page 85 of 344 (Board of Directors)
	GRI 2-16: Communication of critical concerns	Overview Report: Page 05 (Corporate Governance & Ethics - Committees of the Board)
	GRI 2-17: Collective knowledge of the highest governance body	Annual Report 2025-26: Pages 87 of 344 (Board Skill Matrix)
	GRI 2-18: Evaluation of the performance of the highest governance body	Overview Report: Pages 06 (Corporate Governance- Board Accountability) Annual Report 2025-26: Pages 53 of 344 (Board Performance Evaluation)
	GRI 2-19: Remuneration policies	Annual Report 2025-26: Page 54 of 344 (Remuneration Policy and Criteria for Appointment of Directors), Page 61 of 344 (Board's Report- Annexure- A); Page 93 (Remuneration of Directors)
	GRI 2-20: Process to determine remuneration	Annual Report 2025-26: Page 54 of 344 (Remuneration Policy and Criteria for Appointment of Directors), Page 61 of 344 (Board's Report- Annexure- A); Page 93 (Remuneration of Directors)
	GRI 2-21: Annual total compensation ratio	Overview Report: Page 07 (Corporate Governance- CEO-to- Employee Pay Ratio) Annual Report 2025-26: Page 61 of 344 (Board's Report- Annexure- A)

GRI Standards	GRI Disclosure	Response
GRI 2: General Disclosure 2021	GRI 2-22: Statement on sustainable development strategy	Sustainability Report FY2026
	GRI 2-23: Policy commitments	Overview Report: Page 12 (Business Ethics- Policies)
	GRI 2-24: Embedding policy commitments	Overview Report: Pages 11 & 12 (Business Ethics- Policies; Commitment to Ethical Conduct: Global Code of Conduct)
	GRI 2-25: Processes to remediate negative impacts	Overview Report: Page 12 (Business Ethics- Grievance Redressal)
	GRI 2-26: Mechanisms for seeking advice and raising concerns	Overview Report: Page 12 (Business Ethics- Grievance Redressal)
	GRI 2-27: Compliance with laws and regulations	Overview Report: Page 11 (Business Ethics)
	GRI 2-28: Membership associations	Overview Report: Page 12 (Key Memberships and Industry Associations)
	GRI 2-29: Approach to stakeholder engagement	Overview Report: Page 37 (Stakeholder Engagement and Materiality Assessment)
	GRI 2-30: Collective bargaining agreements	Overview Report: Page 107 (Human Rights)
GRI 3: Material Topics 2021	GRI 3-1: Process to determine material topics	Overview Report: Page 40 (Stakeholder Engagement and Materiality Assessment)
	GRI 3-2: List of material topics	Overview Report: Page 40 (Stakeholder Engagement and Materiality Assessment)
	GRI 3-3: Management of material topics	Overview Report: Page 40 (Stakeholder Engagement and Materiality Assessment)
GRI 101: Biodiversity 2024	GRI 101-1: Policies to halt and reverse biodiversity loss	Overview Report: Page 92 (Biodiversity Management)
	GRI 101-2: Management of biodiversity impacts	Overview Report: Page 93 (Biodiversity Management)
	GRI 101-4: Identification of biodiversity impacts	Overview Report: Page 93 (Biodiversity Management)

GRI Standards	GRI Disclosure	Response
GRI 101: Biodiversity 2024	GRI 101-5 Locations with biodiversity impacts	Overview Report: Page 93 (Biodiversity Management)
	GRI 101-6 Direct drivers of biodiversity loss	Overview Report: Page 93 (Biodiversity Management)
	GRI 101-7 Changes to the state of biodiversity	Overview Report: Page 93 (Biodiversity Management)
GRI 201: Economic performance 2016	GRI 201-1: Direct economic value generated and distributed	Details of the parameters have been provided below:
		Direct economic value generated and distributed (INR million)
		Economic Value Generated (Revenue)
		Economic Value Distributed
		a) Operating costs
		b) Employee wages and benefits
		c) Payment to providers of capital
		d) Payment to government
		e) Community investments
		Economic Value Retained (calculated as Economic Value Generated less Economic Value Distributed)
	GRI 201-2: Financial implications and other risks and opportunities due to climate change	Overview Report: Page 87 (Climate Governance)
	GRI 201-3: Defined benefit plan obligations and other retirement plans	Overview Report: Page 104 (Employee Benefits)
GRI 202: Market presence 2016	GRI 202-1: Ratios of standard entry level wage by gender compared to local minimum wage	Overview Report: Page 105 (Gender Pay Assessment)
GRI 203: Indirect economic impacts 2016	GRI 203-1: Infrastructure investments and services supported	Sustainability Report FY2026
GRI 204-1: Proportion of spending on local suppliers	GRI 204-1: Proportion of spending on local suppliers	Overview Report: Page 119 (Inclusive Sourcing Program)

GRI Standards	GRI Disclosure	Response				
GRI 205: Anti-corruption 2016	GRI 205-1: Operations assessed for risks related to corruption	Overview Report: Pages 11 & 12 (Business Ethics- Policies; Commitment to Ethical Conduct: Global Code of Conduct)				
	GRI 205-2: Communication and training about anti-corruption policies and procedures	Overview Report: Pages 11 & 12 (Business Ethics- Policies; Commitment to Ethical Conduct: Global Code of Conduct)				
	GRI 205-3: Confirmed incidents of corruption and actions taken	Overview Report: Pages 11 (Business Ethics- Commitment to Ethical Conduct: Global Code of Conduct)				
GRI 206: Ati competitive Behavior 2016	GRI 206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Overview Report: Pages 11 (Business Ethics- Commitment to Ethical Conduct: Global Code of Conduct)				
GRI 207: Tax 2019	GRI 207-1 Approach to tax	Overview Report: Pages 14 (Tax Strategy and Reporting)				
	GRI 207-2: Tax governance, control, and risk management	Overview Report: Pages 14 (Tax Strategy and Reporting)				
	GRI 207-4: Country-by-country reporting	Overview Report: Pages 15 (Tax Strategy and Reporting)				
GRI 302: Energy 2016	GRI 302-1: Energy consumption within the organization	Overview Report: Page 76 (Efficint Energy Management - Energy Consumption)2				
		Total Energy Consumption (MWh)				
		Energy Source	FY2023	FY2024	FY2025	FY2026
		Renewable Energy	3,82,412	4,22,359	4,61,880	5,35,375.34
		Non-Renewable Energy	8,15,700	6,89,428	6,63,754	7,14,666.49
		Total Energy	11,98,112	11,11,787	11,25,634	12,50,041.83
	GRI 302-3: Energy intensity	Overview Report: Page 75 (Efficient Energy Management - Total Energy Consumption Intensity)				
		Indicator	FY2023	FY2024	FY2025	FY2026
		Specific Energy Consumption (GJ/Revenue in INR million)	15.04	12.68	11.76	12.16
	GRI 302-4: Reduction of energy consumption	Overview Report: Page 78 (Sun Pharma Climate Strategy)				
GRI 302-5: Reductions in energy requirements of products and services	Overview Report: Pages: 95 (Environmental Product Stewardship - Product Design Criteria)					

GRI Standards	GRI Disclosure	Response				
GRI 303: Water & Effluents 2018	GRI 303-1: Interactions with water as a shared resource	Overview Report: Page 84 (Water Management - Water Efficiency Management Programs)				
	GRI 303-2: Management of water discharge-related impacts	Overview Report: Page 84 (Water Management)				
	GRI 303-3: Water withdrawal	Overview Report: Page 86 (Water Management - Water Withdrawal by Source)				
		Water Withdrawal by Source (KL)				
		Source	FY2023	FY2024	FY2025	FY2026
		Third Party	14,54,548	16,31,368	16,65,793	17,48,107
		Surface Water	6,96,295	4,47,578	4,46,219	8,13,040
		Groundwater	15,69,983	13,25,943	13,23,383	15,87,030
		Total	37,20,826	34,04,889	34,35,395	41,48,177
		Water Withdrawal in Water-Stressed Areas (KL):				
		Source	FY2023	FY2024	FY2025	FY2026
		Third Party	53,998	53,930	7,41,005	9,23,419
		Surface Water	7,200	7,200	6,600	-
		Groundwater	4,00,341	3,15,954	84,392	2,79,057
		Total	4,61,539	3,77,084	8,31,997	12,02,476
		GRI 303-4: Water discharge	Overview Report: Page 86 (Water Management - Water Discharge)			
			Water Discharge (KI)			
	Source		FY2023	FY2024	FY2025	FY2026
	Third Party		14,22,385	11,18,266	7,41,934	17,19,315
	Surface Water		-	-	5,09,182	
	Total Water Discharge		14,22,385	11,18,266	12,51,116	17,19,315
	Water Discharge in Water-Stressed Areas (KL)					
	Source		FY2023	FY2024	FY2025	FY2026
	Third Party		6,308.00	6,662.00	1,01,877.00	96,995.00
	Total Water Discharge to water stressed sites		6,308	6,662	1,01,877	96,995
	GRI 303-5: Water consumption	Overview Report: Page 86 (Water Management- Water Consumption)				
		Water Consumption (KL)				
		Source	FY2023	FY2024	FY2025	FY2026
Water Consumption		23,47,890.49	22,86,622.19	21,84,278.67	24,28,862.03	
Water Intensity (KL/Revenue Mn)						
Source		FY2023	FY2024	FY2025	FY2026	
Water Consumption Intensity		8.01	7.24	6.34	6.57	
GRI 305: Emissions 2016	GRI 305-1: Direct (Scope 1) GHG emissions	Overview Report: Page 79 (Emissions Management- Direct Greenhouse Gas Emissions (Scope 1))				
		Scope 1 GHG Emissions (tCO ₂ e)				
		Source	FY2023	FY2024	FY2025	FY2026
		Scope 1 GHG Emissions	67,203.00	45,606.00	38,729.00	42,973.33

GRI Standards	GRI Disclosure	Response				
GRI 305: Emissions 2016	GRI 305-2: Indirect (Scope 2) GHG emissions	Overview Report: Page 79 (Emissions Management- Indirect Greenhouse Gas Emissions (Scope 2))				
		Scope 2 Greenhouse Gas Emissions (Market-Based) (tCO ₂ e)				
		Source	FY2023	FY2024	FY2025	FY2026
		Scope 2 GHG Emissions (Location Based)	3,55,153.58	3,60,342.58	3,62,431.55	3,77,410.96
		Scope 2 GHG Emissions (Market Based)	3,52,678.00	3,23,237.00	3,19,559.00	3,36,537.43
		Scope 1+2 Emissions (Market Based)	4,19,881.00	3,68,843.00	3,58,288.00	3,79,510.76
	GRI 305-3: Other indirect (Scope 3) GHG emissions	Overview Report: Page 80 (Emissions Management- Indirect Greenhouse Gas Emissions (Scope 3))				
		Scope 3 Emissions (tCO ₂ e)				
		Category			Emissions (tCO ₂ e)	
		Purchased Goods & Services			1,74,757.99	
		Capital Goods			22,690.89	
		Fuel & Energy Related Activities			87,677.58	
		Upstream Transportation and Distribution			38,051.14	
		Waste Generated in Operations			5,285.22	
		Business Travel			33,639.75	
		Employee Commuting			17,644.77	
		End-of-Life Treatment of Sold Products			22.16	
		Total Scope 3 Emissions			3,79,769.49	
	GRI 305-4: GHG emissions intensity	Overview Report: Page 79 (GHG Emissions Performance Management; Emission Reduction Targets)				
		Greenhouse Gas Intensity (GJ/Revenue Mn)				
		Indicator	FY2023	FY2024	FY2025	FY2026
		GHG emissions Intensity (Scope 1+ Scope 2) (Market Based)	1.46	1.16	1.04	1.03
	GRI 305-5: Reduction of GHG emissions	Overview Report: Page 78 (Sun Pharma Climate Strategy)				
GRI 305-7: Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Overview Report: Page 81 (Air Emissions and pollution prevention)					
GRI 306: Waste 2020	GRI 306-1: Waste generation and significant waste-related impacts	Overview Report: Page 82 (Waste & Pollutants)				
	GRI 306-2: Management of significant waste-related impacts	Overview Report: Page 82 (Waste & Pollutants)				

GRI Standards	GRI Disclosure	Response					
GRI 306: Waste 2020	GRI 306-3: Waste generated	Overview Report: Pages 83 (Waste & Pollutants)					
		Waste Generated (MT)					
		Waste Type				FY2026 (MT)	
		Hazardous Waste				33,478.67	
		Non-Hazardous Waste				32,040.65	
		E-Waste				15.21	
		Total Waste Generated				65,534.53	
	GRI 306-4: Waste diverted from disposal	Overview Report: Page 83 (Waste & Pollutants- Waste Diverted from Disposal)					
		Waste Diverted from Disposal FY2026 (MT)					
		Waste Type				FY2026 (MT)	
		Hazardous Waste				11,685.14	
		Non-Hazardous Waste				38,331.66	
		E-Waste				15.21	
		Total Waste Diverted				50,032.01	
	GRI 306-5: Waste directed to disposal	Overview Report: Page 83 (Waste & Pollutants - Waste Directed to Disposal)					
		Waste Directed to Disposal FY2026 (MT)					
		Waste Category				FY2026 (MT)	
		Hazardous Waste				15,329.68	
Non-Hazardous Waste				2,954.56			
Total Waste Disposed				18,284.24			
GRI 308: Supplier Environmental Assessment 2016		GRI 308-1: New suppliers that were screened using environmental criteria	Overview Report: Pages: 118 (Sustainable Supply Chain)				
	GRI 308-2: Negative environmental impacts in the supply chain and actions taken	Overview Report: Pages: 117 (Sustainable Supply Chain)					
GRI 401: Employment 2016	GRI 401-1: New employee hires and employee turnover	Overview Report: Page 101 (Talent Acquisition and Retention)					
		New Hires by gender, age and region					
			>30 years	30-50 years	>50 years	Male	Female
		India	41.95%	9.65%	3.00%	22.12%	36.18%
		Global (excluding India)	48.55%	19.45%	10.61%	20.76%	21.41%
		Overview Report: Page 101 (Talent Acquisition and Retention)					
		Total employee turnover (including retiring, resigning, terminated employees and the deceased during the year)					
			>30 years	30-50 years	>50 years	Male	Female
		India	30.21%	9.74%	11.13%	17.06%	34.52%
		Global (excluding India)	24.59%	17.10%	13.19%	17.20%	16.92%

GRI Standards	GRI Disclosure	Response			
GRI 401: Employment 2016	GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Overview Report: Page 104 (Employee Benefits)			
	GRI 401-3: Parental leave	Overview Report: Page 104 (Employee Benefits) In FY2026, our total return-to-work rate was 92.36% and our retention rate was 87.05%. The table below provides details of parental leave taken during FY2026.			
		Description	Male	Female	
		Number of employees entitled to parental leave	37,390	7,421	
		Number of employees who availed parental leave	1,890	295	
		Number of employees who returned to work in the reporting period after parental leave ended	1,764	254	
		Number of employees who returned to work after parental leave ended in the previous year, who were still employed 12 months after they returned to work	1,514	186	
		Return to work rate (%)	93.33%	86.10%	
		Retention rate	87.97%	80.17%	
GRI 403: Occupational Health & Safety 2018	GRI 403-1: Occupational health and safety management system	Overview Report: Page 110 (Ensuring Employee Well-being, Health, and Safety)			
	GRI 403-2: Hazard identification, risk assessment, and incident investigation	Overview Report: Page 113 (Ensuring Employee Well-being, Health, and Safety- Hazard Identification, Risk Assessment and Incident Investigation)			
	GRI 403-3: Occupational health services	Overview Report: Page 112 (Ensuring Employee Well-being, Health, and Safety- Employee health)			
	GRI 403-4: Worker participation, consultation, and communication on occupational health and safety	Overview Report: Page 114 (Ensuring Employee Well-being, Health, and Safety- Instilling a safety mindset)			
	GRI 403-5: Worker training on occupational health and safety	Overview Report: Page 112 (Ensuring Employee Well-being, Health, and Safety- Employee health)			
		Description	Category	Male	Female
		Man-Hours of safety training provided	Employees	12,17,580.35	48,815.88
		Workers	4,90,18,309.11	5,69,508.08	
GRI 403-6: Promotion of worker health	Overview Report: Page 110 (Ensuring Employee Well-being, Health, and Safety- Employee health)				

GRI Standards	GRI Disclosure	Response					
GRI 403: Occupational Health & Safety 2018	GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Overview Report: Page 110 (Ensuring Employee Well-being, Health, and Safety- Hazard Identification, Risk Assessment and Incident Investigation)					
	GRI 403-8: Workers covered by an occupational health and safety management system	Overview Report: Page 110 (Ensuring Employee Well-being, Health, and Safety)					
	GRI 403-9: Work-related injuries	Overview Report: Page 114 (Ensuring Employee Well-being, Health, and Safety)					
		Work-related injuries have been provided below					
		Safety Incident/ Number	Category*	FY2023	FY2024	FY2025	FY2026
		Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.164	0.188	0.213	0.093
			Workers	0.111	0.069	0.146	0.094
		Total recordable work-related injuries	Employees	33.00	41.00	47	22
			Workers	13.00	8.00	17	11
		No. of fatalities	Employees	0.00	0.00	0.00	0.00
			Workers	0.00	0.00	0.00	0.00
		High consequence work-related injury or ill-health (excluding fatalities)	Employees	0.00	0.00	0.00	0.00
	Workers		0.00	0.00	0.00	0.00	
Total sites covered		78%	78%	79%	84%		
*Rates have been calculated as per 2,00,000 man-hours worked							
GRI 403-10: Work-related ill health	Overview Report: Page 113 (Ensuring Employee Well-being, Health, and Safety)						

GRI Standards	GRI Disclosure	Response		
GRI 404: Training & Education 2016	GRI 404-1: Average hours of training per year per employee	Overview Report: Page 102 (Talent Management and Development)		
		The average training hours for FY2026 is 71.90 including the different types of trainings like learning and development, compliance training, OHS training, etc.		
		Average training hours for FY2026 by gender and employee category		
		Employee Category	Male	Female
		Top management	36	58
		Senior management	71	99
		Middle management	53	76
		Junior management	55	49
		Non-management	46	48
		Field Employees	25	50
		Executives on Contract	100	100
		Total training hours of other trainings including OHS, organisational knowledge etc.	13,45,724.23	
	Average training hours for all employees	71.90		
	GRI 404-2: Programs for upgrading employee skills and transition assistance programs	Overview Report: Page 102 (Talent Management and Development- Holistic Training and Development Programmes)		
GRI 404-3: Percentage of employees receiving regular performance and career development reviews	Overview Report: Page 102 (Talent Management and Development- Performance Management)			
GRI 405: Diversity & Equal Opportunity 2016 and Education 2016	GRI 405-1: Diversity of governance bodies and employees	Overview Report: Page 99 (Diversity, Equity and Inclusion), Page 04 (Corporate Governance & Ethics - Charting a Legacy of Ethical Leadership) Annual Report 2025-26: Page 16 of 344 (Board of Directors)		
	GRI 405-2: Ratio of basic salary and remuneration of women to men	Overview Report: Page 105 (Gender Pay Assessment)		
GRI 406: Non discrimination 2016	GRI 406-1: Incidents of discrimination and corrective actions taken	Overview Report: Page 107 (Human Rights)		
GRI 407: Freedom of Association and Collective Bargaining 2016	GRI 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Overview Report: Page 109 (Human Rights)		

GRI Standards	GRI Disclosure	Response
GRI 408: Child Labor 2016	GRI 408-1: Operations and suppliers at significant risk for incidents of child labor	Overview Report: Page 109 (Human Rights)
GRI 409: Forced or Compulsory Labor 2016	GRI 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	Overview Report: Page 109 (Human Rights)
GRI 410: Security Practices 2016	GRI 410-1: Security personnel trained in human rights policies or procedures	Overview Report: Page 109 (Human Rights) In FY2026, 23% of our security personnels were trained on Human Rights
GRI 413: Local Communities 2016	GRI 413-1: Operations with local community engagement, impact assessments, and development programs	Sustainability Report FY2026
	GRI 413-2: Operations with significant actual and potential negative impacts on local communities	Sustainability Report FY2026
GRI 414: Supplier Social Assessment 2016	GRI 414-1: New suppliers that were screened using social criteria	Overview Report: Page 118 (Sustainable Supply Chain)
	GRI 414-2: Negative social impacts in the supply chain and actions taken	Overview Report: Page 117 (Sustainable Supply Chain)
GRI 415: Public Policy 2016	GRI 415-1: Political contributions	Overview Report: Page 12 (Key Memberships and Industry Associations) We neither support political campaigns nor engage in charitable donations or sponsorships that could be perceived as bribery or corrupt practices
GRI 416: Customer Health & Safety 2016	GRI 416-1: Assessment of the health and safety impacts of product and service categories	Overview Report: Page 47 (Patient Safety & Product Quality)

GRI Standards	GRI Disclosure	Response
GRI 416: Customer Health & Safety 2016	GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	Overview Report: Page 48 (Patient Safety & Product Quality)
GRI 417: Marketing and Labeling 2016	GRI 417-1: Requirements for product and service information and labeling	Overview Report: Page 95 (Product Stewardship)
	GRI 417-2: Incidents of non-compliance concerning product and service information and labeling	Overview Report: Page 60 (Ethical Marketing Performance)
	GRI 417-3: Incidents of non-compliance concerning marketing communications	Overview Report: Page 60 (Ethical Marketing Performance)
GRI 418: Customer Privacy 2016	GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Overview Report: Pages: 70 (Information Security Management & Responsible AI usage- Customer Privacy Information)



INDEPENDENT ASSURANCE STATEMENT to the Management of Sun Pharmaceutical Industries Limited

Sun Pharmaceutical Industries Limited (Corporate Identity Number L24230GJ1993PLC019050, (hereafter referred to 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 to as the 'Report') for Financial Year (FY) 2025-26.

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 01/04/2025 to 31/03/2026. 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.

The reporting and assurance boundary covers the performance of Sun Pharma's operations across all global locations at a consolidated level that fall under the direct operational control of the Company's legal structure.

Reporting Criteria and Standards

The disclosures have been prepared by Sun Pharma:

- 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 2025-26, 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 our independent assurance engagement, we have evaluated the reported environmental, social, and governance (ESG) information against the agreed criteria. Throughout the engagement, we exercised professional judgment and maintained professional skepticism to ensure the integrity and reliability of our conclusions.

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 the 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.



- DNV audit team conducted on-site / remote audits for corporate office 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.
- Interviews with the senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected GRI disclosures.
- Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain™ Protocol, V6.0 for limited level of assurance for the disclosures.

Our Conclusion:

On the basis of the assessment undertaken and agreed scope of work, for the 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 and the Principles as per DNV VeriSustain™ Protocol (V6.0) as stated below,

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. The list of topics has been prioritized, reviewed and validated, and the Company has indicated that there is no change in material topics from the previous reporting period.

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 Sun Pharma, 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 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. 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.

5. Accuracy

The extent to which the Report provides correct and sufficiently detailed information to allow an assessment of the organization's impacts.

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 Report presents both qualitative and quantitative information in a manner that is consistent with available evidence and other reported disclosures. It clearly distinguishes between measured and estimated data, provides adequate descriptions of measurement methodologies, and outlines assumptions and limitations where applicable. 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 suggest that the Report does not meet the requirements related to the Principle of Accuracy.

6. Reliability

The extent to which the Report presents information that can be consistently and dependably verified and used for decision-making.

The Report provides disclosures that are supported by documented evidence, validated data sources, and established internal controls. It outlines the processes used to collect, compile, and review information, ensuring that the data presented is dependable and reproducible. The inclusion of third-party assurance further enhances the reliability of the disclosures and supports informed decision-making by stakeholders.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.



7. Neutrality/Balance

The 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.

8. 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.

The use of this assurance statement shall be governed by the terms and conditions of the contract between DNV and 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.

Inherent Limitations

DNV's assurance engagement assumes 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 $\pm 5\%$ 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.

For DNV Business Assurance India Private Limited,			
Chadha, Jas Sahib Singh	Digitally signed by Chadha, Jas Sahib Singh Date: 2026.09.14 09:28:36 +05'30'	Sharma, Anjana	Digitally signed by Sharma, Anjana Date: 2026.09.14 18:25:29 +05'30'
Jas Sahib Singh Chadha Lead Verifier		Anjana Sharma Assurance Reviewer	
Assurance Team: Suraiya Rahman, Syed Rameez, Goutam Banik, Himanshu Babbar, Tapan Kumar Panda			

14/09/2026, Bengaluru, India.

Annexure I

GRI Disclosures assured for Limited level of assurance:

- GRI 2: General Disclosures 2021
- GRI 3: Material Topics – 3-1, 3-2, 3-3
- GRI 101: Biodiversity 2024 – 101-1, 101-2, 101-4, 101-5, 101-6, 101-7
- GRI 202: Market Presence 2016 – 202-1
- 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, 305-5, 305-7
- GRI 306: Waste 2020 – 306-1, 306-2, 306-3, 306-4, 306-5
- GRI 308: Supplier Environmental Assessment 2016 – 308-1, 308-2
- 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 414: Supplier Social Assessment 2016 – 414-1, 414-2
- GRI 415: Public Policy – 415-1
- 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 and IPCC sixth assessment report.
- Scope 2 GHG emissions for Indian operations are calculated based on the emission factor for Grid Electricity in Central Electricity Authority, Govt. of India, CO₂ baseline database for Indian Power Sector, version 21. Scope 2 GHG emissions for the rest of the countries (other than India) are calculated based on emission factors in US EPA Emission Factors for Greenhouse Gas Inventories 2025, IFI Default Grid Factors 2021 v3.1 and country-specific grid emission factors.
- Scope 3 GHG emissions are calculated as per the Greenhouse Gas Protocol's Corporate Value Chain (Scope 3) Standard covering Categories 1, 2, 3, 4, 5, 6, 7 and 12 as per GHG Protocol. Scope 3 GHG emissions are calculated based on emission factors in US Environmentally Extended Input-Output (USEEIO) Supply Chain Greenhouse Gas Emission Factors, version 1.3, The UK Department for Environment, Food and Rural Affairs (DEFRA) 2025, World Bank Group's World Development Indicators and the Ministry of Statistics and Programme Implementation (MoSPI), Govt. of India.

Annexure II

Sites selected for audits

S. No.	Site	Location
1.	Corporate Office	Mumbai, Maharashtra
2.	Manufacturing Plants (onsite audit)	Halol, Gujarat Baska, Gujarat Toansa, Punjab Dewas, Madhya Pradesh
3.	Manufacturing Plants (remote audit)	Paonta Sahib, Himachal Pradesh Ahmednagar, Maharashtra Guwahati, Assam Sikkim-1 & 2, Sikkim Romania



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