

# Business Responsibility and Sustainability Report

## Director's Message

Dear Stakeholders,

I am extremely pleased to present our Business Responsibility and Sustainability Report (BRSR) for FY2023-24, underscoring our unwavering commitment to sustainability and creating long-term value for all our stakeholders.

We continue to integrate principles of sustainability within our business through well-defined goals and initiatives coupled with a clear roadmap to achieve these objectives. This report demonstrates our efforts to integrate sustainability into our operations while providing a holistic view of our Environmental, Social and Governance (ESG) performance for FY2023-24.

We are strongly focused on our core value of "Reaching People. Touching Lives". Our diverse product portfolio and global presence enables us to deliver high-quality medicines to positively impact the well-being of patients. We also continue to invest in R&D to develop new and innovative molecules and improve accessibility.

At Sun Pharma, we are committed to addressing the impact of climate change through strategic actions to manage and mitigate carbon emissions associated with our operations. In FY2023-24, we initiated a physical and transition climate risk assessment for all our locations and also carried out a Biodiversity risk assessment for five of our manufacturing locations. We will continue to evaluate our exposure to climate change related risks and opportunities and implement necessary mitigation measures as required.

We have set targets to address Scope 1 and Scope 2 emissions, water consumption, and Co-processing of hazardous waste. We aim to achieve a 35% reduction in our absolute Scope 1 and Scope 2 carbon emissions by 2030, compared to the baseline year of 2020. Over the last four years, we have reduced our combined Scope 1 and Scope 2 carbon emissions by 21.85%. We are allocating significant investments for projects in renewable energy and for our energy saving initiatives. Renewable energy now accounts for 45.23% in our overall energy mix.

We also target to achieve a 10% reduction in our water consumption by 2025, compared to the baseline year of 2020. Our water management initiatives have helped us to minimise our water footprint and reduce water consumption by 31.17% compared to the base year of 2020. We have further set a target to co-process 30% of hazardous waste by 2025. In FY 2023-24 we have co-processed 28.34% of hazardous waste.

Our people form the foundation of our success. We have implemented various focused initiatives to attract and retain a highly diverse and skilled workforce. This further drives innovation and fosters synergy, giving us a competitive edge. Through a systemic approach, we make focused

efforts towards fostering a conducive working environment for employees through training and inclusive policies that promotes employee well-being and resource development. Our people-centric philosophy fosters empowerment of our employees to reach their fullest potential, trust building and propels them to achieve organisational objectives.

Ensuring safety of our workforce is a key priority for us. We have inculcated best-in-class safety practices aligned with our Environment, Health, and Safety (EHS) Policy. We also carry out extensive health and safety related training programs across all our locations directed at creating a culture of safety, awareness and responsible behavior.

Our Corporate Social Responsibility (CSR) initiatives continue to positively impact underprivileged communities and respond to their needs in areas like healthcare, education, water & sanitation, rural development, and environmental conservation. We implement focused and socially responsible initiatives with the objective of holistic development of our local communities. Furthermore, our CSR programs are designed to contribute towards the realisation of the United Nations Sustainable Development Goals (UN SDGs).

Our holistic corporate governance framework is the foundation of our commitment to uphold the highest standards of ethical governance, and enabling sustainable outcomes for all our stakeholders. Our corporate governance approach rests on our commitment of going beyond compliance, increasing transparency and fostering reliability, trust and consistency. Under the guidance of our Board, we have established various committees focusing on different aspects of responsible business practices. Our comprehensive set of corporate policies help us in implementation of these practices. We also employ a secure grievance redressal and global whistle blower mechanism for our stakeholders, enabling us to uphold our values and highest standards of corporate governance.

Furthermore, as a member of the United Nations Global Compact (UNGC), we support the 10 principles covering human rights, labor, environment and anti-corruption and we are committed to ensure that these principles are a part of our overall business strategy.

While we continue to integrate sustainability principles into our operations, and deliver on our promises of sustainable value creation, we welcome your valuable feedback in order to improve our sustainability performance.

Regards,

**Aalok Shanghvi**  
Whole-time Director

## SECTION A: GENERAL DISCLOSURES

### Details of the listed entity

|     |  |  |
|-----|--|--|
| 1.  | Corporate Identity Number (CIN) of the Listed Entity   | L24230GJ1993PLC019050  |
| 2.  | Name of the Listed Entity  | Sun Pharmaceutical Industries Limited (SPIL)   |
| 3.  | Year of incorporation  | 1993   |
| 4.  | Registered office address  | SPARC, Tandajja, Vadodara - 390012, Gujarat  |
| 5.  | Corporate address  | Sun House, CTS No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai 400063, Maharashtra, India   |
| 6.  | E-mail   | secretarial@sunpharma.com  |
| 7.  | Telephone  | (+91 22) 4324 4324   |
| 8.  | Website  | www.sunpharma.com  |
| 9.  | Financial year for which reporting is being done   | April 1, 2023 to March 31, 2024  |
| 10. | Name of the Stock Exchange(s) where shares are listed  | BSE Limited, National Stock Exchange of India Limited  |
| 11. | Paid-up Capital  | ₹ 2,399,334,970  |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Anoop Deshpande (Company Secretary and Compliance Officer)<br>Email: <a href="mailto:anoop.deshpande@sunpharma.com">anoop.deshpande@sunpharma.com</a><br>Tel. No. +91-22-4324 4324 |
| 13. | Reporting Boundary   | Standalone Basis   |
| 14. | Name of assurance provider   | DNV Business Assurance India Private Limited   |
| 15. | Type of assurance obtained   | Reasonable Assurance   |

### Products/services

#### 16. Details of business activities (accounting for 90% of the turnover):

| Sr. No. | Description of Main Activity | Description of Business Activity                       | % of Turnover of the entity |
|---------|------------------------------|--|-----------------------------|
| 1.      | Pharmaceutical               | Manufacturing and marketing of pharmaceutical products | 100%                        |

#### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| Sr. No. | Product/Service   | NIC Code | % of total Turnover contributed |
|---------|---|----------|---------------------------------|
| 1.      | Manufacture of pharmaceuticals, medicinal and chemical products | 210      | 100%                            |

### Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 18*              | 3                 | 21    |
| International | 0                | 13                | 13    |

\* The plants include the Company's manufacturing locations and R&D centers

#### 19. Markets served by the entity:

##### a. Number of locations

| Locations                        | Number  |
|----------------------------------|---|
| National (No. of States)         | Pan-India   |
| International (No. of Countries) | Approximately 100 countries served across the six continents - Asia, North America, Europe, Africa, South America and Australia |

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Over time, the Company has expanded its market presence to approximately 100 countries across six continents: Asia, North America, Europe, Africa, South America, and Australia. It actively pursues initiatives to meet global market demands and enhance exports, with exports accounting for 72.7% of total turnover in the reporting year.

##### c. A brief on types of customers

The end consumers are our patients, who are serviced through our distribution chain including distributors, wholesalers and retailers.

## Employees

### 20. Details as at the end of Financial Year:

#### a. Employees and workers (including differently abled):

| Particulars                  | Total (A)     | Male          |              | Female       |              |
|------------------------------|---------------|---------------|--------------|--------------|--------------|
|                              |               | No. (B)       | % (B / A)    | No. (C)      | % (C / A)    |
| <b>Employees</b>             |               |               |              |              |              |
| Permanent (D)                | 14,760        | 13,327        | 90.29        | 1,433        | 9.71         |
| Other than Permanent (E)     | 1,239         | 779           | 62.87        | 460          | 37.13        |
| <b>Total employees (D+E)</b> | <b>15,999</b> | <b>14,106</b> | <b>88.17</b> | <b>1,893</b> | <b>11.83</b> |
| <b>Workers</b>               |               |               |              |              |              |
| Permanent (F)                | 4,770         | 4,578         | 95.97        | 192          | 4.03         |
| Other than Permanent (G)     | 5,125         | 4,542         | 88.62        | 583          | 11.38        |
| <b>Total workers (F+G)</b>   | <b>9,895</b>  | <b>9,120</b>  | <b>92.17</b> | <b>775</b>   | <b>7.83</b>  |

#### b. Differently abled Employees and workers:

| Particulars                  | Total (A) | Male      |              | Female   |              |
|------------------------------|-----------|-----------|--------------|----------|--------------|
|                              |           | No. (B)   | % (B / A)    | No. (C)  | % (C / A)    |
| <b>Employees</b>             |           |           |              |          |              |
| Permanent (D)                | 8         | 7         | 87.50        | 1        | 12.50        |
| Other than Permanent (E)     | 0         | 0         | -            | 0        | -            |
| <b>Total employees (D+E)</b> | <b>8</b>  | <b>7</b>  | <b>87.50</b> | <b>1</b> | <b>12.50</b> |
| <b>Workers</b>               |           |           |              |          |              |
| Permanent (F)                | 28        | 23        | 82.14        | 5        | 17.86        |
| Other than Permanent (G)     | 0         | 0         | -            | 0        | -            |
| <b>Total workers (F+G)</b>   | <b>28</b> | <b>23</b> | <b>82.14</b> | <b>5</b> | <b>17.86</b> |

### 21. Participation/Inclusion/Representation of women

|                          | Total (A) | No. and percentage of Females |           |
|--------------------------|-----------|-------------------------------|-----------|
|                          |           | No. (B)                       | % (B / A) |
| Board of Directors       | 9         | 1                             | 11.11     |
| Key Management Personnel | 2         | 0                             | 0         |

### 22. Turnover rate for permanent employees and workers

|                     | FY 2023-24 |        |        | FY 2022-23 |        |        | FY 2021-22 |        |        |
|---------------------|------------|--------|--------|------------|--------|--------|------------|--------|--------|
|                     | Male       | Female | Total  | Male       | Female | Total  | Male       | Female | Total  |
| Permanent Employees | 13.90%     | 11.29% | 13.59% | 13.20%     | 13.90% | 13.20% | 10.00%     | 15.70% | 10.40% |
| Permanent Workers   | 7.11%      | 2.82%  | 6.78%  | 6.20%      | 2.20%  | 6.10%  | 10.30%     | 10.50% | 10.30% |

### Holding, Subsidiary and Associate Companies (including joint ventures)

#### 23. (a) Names of holding / subsidiary / associate companies / joint ventures

The names of the holding / subsidiary / associate companies / joint ventures as on March 31, 2024, are available on page 292 of our Annual Report for FY 2023-24. The Annual Report can be accessed at the following link:

<https://sunpharma.com/investors-annual-reports-presentations/>

Most of the Company level policies and practices essential for SPIL are also extended to subsidiaries and associates subject to applicable local rules and regulations. Our Indian subsidiaries, where applicable, participate in the sustainability and business responsibility initiatives of our Company.

### Corporate Social Responsibility (CSR) Details

|     |  |           |
|-----|--|-----------|
| 24. | (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: | Yes       |
|     | (ii) Turnover (in ₹ Million):  | 202,751.7 |
|     | (iii) Net Worth (as per Companies Act) (in ₹ Million):                   | 193,018.8 |

### Transparency and Disclosures Compliances

#### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in place (Yes/No) (If Yes, then provide web-link for grievance redress policy)  | FY 2023-24                                 |  |         | FY 2022-23                                 |  |         |
|---|---|--|--|---------|--|--|---------|
|   |   | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities                                       | Yes, the Company utilises mobile health care units to reach out to peripheral villages in areas surrounding it's locations. Each mobile health care unit carries a register that is accessible to all community members in order to record grievances and questions through written complaints. The concerned authority members then take the necessary steps to address the concerns raised.   | 0  | 0  | -       | 0  | 0  | -       |
| Shareholders                                      | Yes, the company has a procedure for resolving shareholder grievances. Link In time India Private Limited has been appointed as the Company's Share Transfer Registrars/Agents. They handle shareholder inquiries, requests, and complaints. Within the framework specified/ defined by SEBI, Share Transfer Registrars/ Agents respond to enquiries/ questions, requests, and complaints. There is a dedicated email id to receive the grievances from shareholders - <a href="mailto:secretarial@sunpharma.com">secretarial@sunpharma.com</a> . | 46   | 0  | -       | 34   | 0  | -       |
| Employees and workers                             | Yes, all employees and workers may raise and report their concerns under the purview of the Global Whistleblower Policy. As detailed in the policy, complaints and concerns can be recorded through various channels, including an email address, web portal and via written communication.   | 2  | 0  | -       | 7  | 0  | -       |
| Customers   | Yes, customer complaints and grievances can be reported through emails, couriers and the product quality complaint form available on the Company website: <a href="https://sunpharma.com/product-quality-complaint-form/">https://sunpharma.com/product-quality-complaint-form/</a>   | 1,034*                                     | 29   | -       | 1,011*                                     | 7  | -       |
| Value Chain Partners                              | Yes, value chain partners can file complaints via email, shared service helpdesk, or the Global Whistleblower mechanism.  | 0  | 0  | -       | 0  | 0  | -       |

\* These complaints pertain to packaging defects such as missing components, damaged label, damaged outer packaging, product quality, etc.

## 26. Overview of the entity's material responsible business conduct issues

Material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

| Sr. No. | Material issue identified                     | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity   | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implications)  |
|---------|---|--|--|---|---|
| 1.      | Corporate Governance and Business Ethics      | Risk and Opportunity                       | <p><b>Risk:</b> 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</p> <p><b>Opportunity:</b> Compliance and alignment with ethical and responsible governance practices and standards will result in the sustainable creation of long-term value for all stakeholders.</p>                                       | <ol style="list-style-type: none"> <li>Consistent and regular engagement with regulatory agencies in all our markets, to ensure compliance and reduce any possibility of non-compliance.</li> <li>Focused and regular training is provided to all staff members to ensure strict compliance with the Company's business ethics and Global Code of Conduct. Strong focus is also given to quality control at all operational locations to maintain cGMP compliance.</li> </ol>   | <p><b>Positive:</b> The Company's commitment to ethical and responsible business practices and continual regulatory compliance will be positively regarded by stakeholders, enhancing our reputation as an ethical corporate citizen.</p> <p><b>Negative:</b> Noncompliance with regulatory standards may adversely affect the Company's reputation and long-term business continuity.</p>  |
| 2.      | Product Quality, Safety and Recall Management | Risk                                       | <p><b>Risk:</b> As a pharmaceutical Company, we are highly vulnerable to product quality and safety concerns. Hence, it is imperative to address risks associated with product quality and operational safety.</p>   | <ol style="list-style-type: none"> <li>Ensure continued and strict compliance with global quality standards and protocols and the applicable local regulatory requirements.</li> <li>Provide for robust and centralised pharmacovigilance systems with thorough Standard Operating Procedures (SOPs) to ensure effective monitoring and reporting of adverse events.</li> <li>Regular investment in technological advancement, training programs on current Good Manufacturing Practices (cGMP), automation, digitalisation, and employee skill development.</li> <li>Undertake detailed and regular quality assessments of third-party suppliers.</li> <li>Implement measures to protect our brand (intellectual property and trademarks) and combat counterfeiting, for ensuring the authenticity of our products in the market.</li> </ol> | <p><b>Positive:</b> Sustaining the highest standards of product quality and safety builds the Company's reputation with stakeholders and improves our brand image positively.</p> <p><b>Negative:</b> 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.</p>  |
| 3.      | Cyber Security and Data Privacy               | Risk and Opportunity                       | <p><b>Risk:</b> Any potential cybersecurity and data privacy risk/threat directly affects the security and integrity of the IT system of the entire business.</p> <p><b>Opportunity:</b> Providing for a secured IT network through a strong governance mechanism for data integrity, technology, and digitalisation, which in turn enhances productivity and facilitates continuity of operations and thereby enhance the business performance.</p> | <ol style="list-style-type: none"> <li>Regular vulnerability assessments and simulated hacker attacks of our IT systems are undertaken to prevent breaches of Company or stakeholders' data.</li> <li>We've 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.</li> </ol>  | <p><b>Positive:</b> Compliance and alignment with data security and privacy laws is maintained through adoption of cutting-edge technology, digitalisation, and adherence to data integrity principles ingrained in our processes. This safeguards against data loss, enhances productivity, and fosters sustainable long-term growth.</p> <p><b>Negative:</b> 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.</p> <p>Breaches of customer/ stakeholder data may expose us to litigation, fines, and penalties.</p> |

| Sr. No. | Material issue identified                | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity   | In case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative implications)   |
|---------|--|--|--|--|--|
| 4.      | Innovation Management                    | Opportunity                                | <p><b>Opportunity:</b> Investing in innovation and technology to develop and commercialise a robust product portfolio, including generics and specialty products, enables us to address unmet patient needs and enhance product accessibility in global markets.</p>   |  | <p><b>Positive:</b> Enhancing our portfolio with innovative products will effectively meet the unmet healthcare needs of patients globally and thereby enhancing access to new therapies. Furthermore, process innovation can lead to increased productivity and resource efficiency in our operations.</p>  |
| 5.      | Human Capital Development                | Risk and Opportunity                       | <p><b>Risk:</b> Human Capital Development encompasses talent management, including acquisition, retention, and employee well-being. Failure to meet or exceed employee expectations may negatively impact employee retention, productivity, and business continuity, given our business's dependence on the well-being of our people.</p> <p><b>Opportunity:</b> The Company's emphasis on enhancing employee welfare and development underscores its commitment to human capital development. This fosters retention and attracts top talent, driving productivity, innovation, long-term business growth, and value creation for all stakeholders.</p> | <ol style="list-style-type: none"> <li>1. 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.</li> <li>2. We have established a formal succession planning program for all leadership positions.</li> <li>3. We prioritise employee skill enhancement through continuous training and development opportunities.</li> </ol>  | <p><b>Positive:</b> Concentrated efforts on human capital development will yield a motivated workforce with high retention and satisfaction rates. These indicators showcase the Company's commitment to nurturing a positive work environment and underscore a proactive approach to workforce development, crucial for long-term growth and sustainability.</p> <p><b>Negative:</b> Neglecting to meet employee expectations could lead to adverse long-term effects on productivity and hinder the Company's growth trajectory.</p> |
| 6.      | Access to and Affordability of Medicines | Risk and Opportunity                       | <p><b>Risk:</b> Addressing challenges related to the product portfolio, accessibility, and pricing is crucial in the pharmaceutical sector. Limited access to medicines due to pricing and availability issues negatively affects society's access to healthcare and may pose obstacles to aligning with the Company's vision and long-term growth potential.</p> <p><b>Opportunity:</b> Leveraging our robust generic and specialty product portfolio alongside our global presence, the Company is well-equipped to enhance access to medicines worldwide and meet the increasing demand for pharmaceutical products.</p>                              | <ol style="list-style-type: none"> <li>1. We prioritise building a robust and diversified product portfolio through improved cross-functional synergies, organisational capabilities, project management, and governance throughout the product lifecycle.</li> <li>2. We enhance our capabilities in both in-licensing and out-licensing of products.</li> <li>3. Our focus lies on the development and commercialisation of complex generics and specialty products, among other priorities.</li> <li>4. We emphasise operational excellence programs aimed at improving yields, ensuring supply chain continuity, and maintaining sufficient inventory levels.</li> </ol> | <p><b>Positive:</b> The Company's commitment to product innovation and research elevates brand value through a diverse range of accessible and affordable products. This strategy enables us to address unmet patient needs and extends access to low and middle-income countries.</p> <p><b>Negative:</b> Long-term brand value and growth prospects may suffer if the Company's products become inaccessible or if expansion into new geographic markets is hindered.</p>  |
| 7.      | Environmental Impact Management          | Risk                                       | <p><b>Risk:</b> For the business to have a positive environmental impact, waste and water management are essential.</p> <p>To show that the business is dedicated to a sustainable future and a healthy world, concentrated efforts must be made to limit waste generation, consumption of water, and proper disposal.</p>   | <ol style="list-style-type: none"> <li>1. We continue to identify opportunities to minimise any adverse environmental effect from our operations. We have adopted targets for waste management and water conservation. Our targets are to reduce water consumption by 10% and to co-process 30% of hazardous waste by 2025.</li> <li>2. 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.</li> </ol>           | <p><b>Negative:</b> 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.</p>  |



| Sr. No. | Material issue identified                            | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity  | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implications)   |
|---------|--|--|---|---|--|
| 8.      | Climate Change                                       | Risk and Opportunity                       | <p><b>Risk:</b> In the absence of effective management of greenhouse gas (GHG) emissions, the business could be at risk of Physical and transition risks associated with climate change that could cause operations to be disrupted and have an impact on business continuity.</p> <p><b>Opportunity:</b> Adopting new low-carbon technology will help build business resilience and opportunities for more effective manufacturing procedures.</p>   | <ol style="list-style-type: none"> <li>The company has set a 35% reduction target for absolute carbon emissions (Scope 1 and Scope 2) by 2030 compared to baseline of 2020.</li> <li>To identify and assess the physical and transitional risks associated with our operations, we have also undertaken climate risk assessments.</li> <li>By boosting the proportion of biomass, obtaining renewable energy, and putting energy efficiency programs into place to maximise our energy usage, we are constantly looking for ways to lessen our dependence on fossil fuels in our operations.</li> </ol> | <p><b>Negative:</b> 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.</p> <p><b>Positive:</b> Businesses may be able to adapt newer technologies and more productive ways of producing goods by working toward climate change adaptation and mitigation.</p>  |
| 9.      | Diversity, Equity and Inclusivity                    | Opportunity                                | <p><b>Opportunity:</b> Fostering and providing for a diverse and inclusive workforce and work culture enhances our performance by bringing together people with varied experiences, knowledge and skills.</p>   |   | <p><b>Positive:</b> A diverse and inclusive workforce that includes members of all genders, ages, ethnicities, and special abilities fosters creative thinking, encourages employee engagement, and unlocks higher levels of efficiency.</p>   |
| 10.     | Sustainable Supply Chain and Responsible Procurement | Risk and Opportunity                       | <p><b>Risk:</b> As a result of the Company's dependence on the supply chain for critical raw materials and last-mile drug deliveries, any interruption in the supply chain could have an effect on the quality of the final product and/or the business of the Company. There is also a risk associated with non-substitutable suppliers' continuous availability of essential raw materials.</p> <p>The Company has a policy requiring its supply chain partners to follow its ESG standards; any violation might lead to a supply disruption.</p> <p><b>Opportunity:</b> An organisation's supply chain has a major impact on its capacity to survive.</p> <p>Integrating sustainability principles within supply chain management aids the Company in creating a robust supply chain and enhancing environmentally and socially conscious behavior throughout the value chain.</p> | <ol style="list-style-type: none"> <li>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.</li> <li>The suppliers are required to abide by the Company's ESG requirements as part of the Supplier Code of Conduct.</li> <li>The Company has a high focus on developing quality products and safety of consumers. The quality of raw materials for our production process is ensured by conducting periodic supplier audits.</li> </ol>  | <p><b>Negative:</b> 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.</p> <p><b>Positive:</b> The Company's ability to address supply chain disruptions brought on by unprecedented circumstances is ensured by responsible supply chain practices. In addition, the Company's adherence to its responsible sourcing enhances its social and environmental performance. Assessing alternate suppliers may also help reduce risk exposure and provide access to previously unexplored suppliers for raw materials. It may lead to discovery of local suppliers, which reduces environmental footprint and may result in better control over the supply chain.</p> |

| Sr. No. | Material issue identified                  | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity   | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implications)   |
|---------|--|--|--|---|--|
| 11.     | Occupational Health and Safety             | Risk                                       | <p><b>Risk:</b> The Company's commitment to occupational health and safety must include this crucial element in the direction of offering a secure and safe workplace.</p> <p>Numerous health and safety incidents could result from the inefficiency of the current health and safety management programs.</p>  | <ol style="list-style-type: none"> <li>The business maintains a robust Environmental Health and Safety (EHS) management system, comprising regular audits of its EHS procedures, both internal and external.</li> <li>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.</li> <li>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.</li> </ol>  | <p><b>Negative:</b> A regular occurrence of health and safety issues will negatively impact the performance of the Company concerning worker well-being and safety. This will have an effect on the Company's reputation, brand image, and capacity to draw in and retain talent.</p>  |
| 12.     | Ethical Clinical Trials and Animal Testing | Risk                                       | <p><b>Risk:</b> Addressing risks associated with clinical trials and animal testing is critical to demonstrate the Company's 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.</p> | <ol style="list-style-type: none"> <li>The Company complies with all relevant regulatory requirements governing clinical trials and animal testing. We have dedicated teams, responsible for ensuring compliance with these regulations, which involve obtaining necessary approvals, permits, and maintaining thorough documentation.</li> <li>We also implement robust quality control and safety measures throughout the research process.<br/><br/>This involves monitoring and auditing the conduct of clinical trials, data collection, and analysis to ensure accuracy, reliability, and compliance with relevant standards.</li> <li>Long term safety studies are undertaken for some of our innovative specialty products, post commercialisation, in order to evaluate and measure safety parameters over a longer time horizon.</li> <li>On certain projects we collaborate with academic institutions, research organisations, and regulatory agencies to share knowledge, expertise, and resources. Such collaborations also enable collective efforts, checks and balances to enhance the quality and ethical standards of clinical trials and animal testing.</li> </ol> | <p><b>Negative:</b> Failure to comply with guidelines and regulations of clinical trials and animal testing can undermine the efficacy and safety of the Company's clinical trials. It may also have an adverse regulatory/legal impact, lead to financial damages and reputation loss and have a negative impact on participant's health and safety.</p> <p>Delays at any stage can also prolong the overall timeline for drug development, leading to increased costs.</p> |
| 13.     | Social Impact through Community Engagement | Opportunity                                | <p><b>Opportunity:</b> By aligning CSR programs with the needs of the community, through impact assessments and stakeholder engagement sessions, the Company focuses on creating an environment of mutual trust with the community. This will help in ensuring a long-term beneficial relationship with the community and enhance the social positioning of the Company.</p>   |   | <p><b>Positive:</b> The Company's perception among the local community members is enhanced by its contributions to the community's upliftment through various initiatives and partnerships that focus on health, Education, rural infrastructure development, sanitation, and environment conservation among others. These efforts also help to promote positive social outcomes.</p>  |



## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

| Disclosure Questions   | P1   | P2  | P3  | P4  | P5  | P6  | P7  | P8  | P9  |
|--|--|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>Policy and management processes</b>   |  |     |     |     |     |     |     |     |     |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)   | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/ No)  | Yes, the Company has developed comprehensive policies covering these principles, some of the policies have been approved by the Board as per relevant statutory requirements.  |     |     |     |     |     |     |     |     |
| c. Web Link of the Policies, if available  | <a href="https://sunpharma.com/policies/">https://sunpharma.com/policies/</a>  |     |     |     |     |     |     |     |     |
| 2. Whether the entity has translated the policy into procedures. (Yes/No)  | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No)  | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. |  |     |     |     |     |     |     |     |     |
| Principle 1  | National Guidelines on Responsible Business Conduct (NGRBC), United Nations Global Compact (UNGC)  |     |     |     |     |     |     |     |     |
| Principle 2  | Environmental Management System – ISO 14001: 2015, Extended Producer Responsibility (EPR) regulations, NGRBC   |     |     |     |     |     |     |     |     |
| Principle-3  | Occupational Health and Safety Management Systems – ISO 45001: 2018, International Labour Organization (ILO), NGRBC, UNGC  |     |     |     |     |     |     |     |     |
| Principle 4  | NGRBC  |     |     |     |     |     |     |     |     |
| Principle 5  | United Nations Guiding Principles on Business and Human Rights (UNGP), NGRBC, UNGC   |     |     |     |     |     |     |     |     |
| Principle 6  | Environmental Management System – ISO 14001:2015, NGRBC, Energy Management System ISO 50001:2018, UNGC   |     |     |     |     |     |     |     |     |
| Principle 7  | NGRBC  |     |     |     |     |     |     |     |     |
| Principle 8  | NGRBC  |     |     |     |     |     |     |     |     |
| Principle 9  | Product Quality – ISO 9001: 2015, NGRBC  |     |     |     |     |     |     |     |     |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any.   | Principle 6<br>a) To reduce water consumption by 10% by 2025, considering baseline of 2020<br>b) To reduce absolute carbon emissions (Scope 1 and 2) by 35% by 2030 considering the baseline of 2020<br>c) To co-process 30% of hazardous waste by 2025  |     |     |     |     |     |     |     |     |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.  | By implementing several ESG initiatives at different levels, the Company has been able to achieve the following:<br>a) Reduction in overall water consumption by 31.17% in FY 2023-24, as compared to baseline of 2020<br>b) Reduction in absolute carbon emissions (Scope 1 and Scope 2) by 21.85% in FY 2023-24 as compared to the baseline of 2020.<br>c) Co-processed 28.34% of hazardous waste in FY2023-24 |     |     |     |     |     |     |     |     |
| <b>Governance, Leadership and Oversight</b>  |  |     |     |     |     |     |     |     |     |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)                                      | Director's Message at the beginning of this Business Responsibility and Sustainability Report.   |     |     |     |     |     |     |     |     |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).  | Name: Mr. Aalok Shanghvi<br>Designation: Whole-time Director<br>DIN number: 01951829   |     |     |     |     |     |     |     |     |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.  | Yes, Mr. Aalok Shanghvi is responsible for decisions on sustainability-related issues  |     |     |     |     |     |     |     |     |
| <b>10. Details of Review of NGRBCs by the Company:</b>   |  |     |     |     |     |     |     |     |     |
| Subject for Review   | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee   |     |     |     |     |     |     |     |     |
|  | P1   | P2  | P3  | P4  | P5  | P6  | P7  | P8  | P9  |
| Performance against above policies and follow up action  | Director   |     |     |     |     |     |     |     |     |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances   | Director   |     |     |     |     |     |     |     |     |
| Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)   |  |     |     |     |     |     |     |     |     |
| Performance against above policies and follow up action  | Periodically/ Need based   |     |     |     |     |     |     |     |     |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances   | Ongoing basis  |     |     |     |     |     |     |     |     |
| <b>11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.</b>   |  |     |     |     |     |     |     |     |     |
| P1   | P2   | P3  | P4  | P5  | P6  | P7  | P8  | P9  |     |
| No. The Company internally reviews the working of the above-mentioned policies   |  |     |     |     |     |     |     |     |     |

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**
**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**
**Essential Indicators**
**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

| Segment                           | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact  | Percentage of persons in respective category covered by awareness programmes |
|-----------------------------------|--|--|--|
| Board of Directors                | 5  | P1, P2, P3, P4, P5, P6, P8   | 100%   |
| Key Managerial Personnel          | 5  | P1, P2, P3, P4, P5, P6, P8   | 100%   |
| Employees other than BoD and KMPs |  | Periodic awareness programs were organised and conducted on Global Code of Conduct (GCOC), Safety Awareness Programs, etc. | 100%   |
| Workers                           | 492*   |  | 100%   |

\* Employee and worker training numbers are provided on a combined basis.

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**
**Monetary**

| Particulars   | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹)   | Brief of the Case  | Has an appeal been preferred? (Yes/No) |
|---------------|-----------------|---|---|--|--|
| Penalty/ Fine | P1              | Asst. Commissioner of ST Circle I -Bhubaneswar                      | Interest of ₹ 474,926/- and Penalty of ₹ 46,257/-   | Goods and Services Tax Act, 2017 assessment for the FY 2017-18 for ITC and Tran I credit disallowance.   | Yes                                    |
| Penalty/ Fine | P1              | Joint Commissioner of State Tax Secunderabad division               | Penalty of ₹ 20,935/-   | Goods and Services Tax Act, 2017 assessment for the FY 2017-18 for Non-payment of Liability on destruction of Goods.   | No                                     |
| Penalty/ Fine | P1              | Dy. Commissioner, Circle-A, Jaipur-IV                               | Interest of ₹ 19,336/- and Penalty of ₹ 10,000/-  | Goods and Services Tax Act, 2017 assessment for the FY 2017-18 for Tran I credit disallowance.   | No                                     |
| Penalty/ Fine | P1              | State Excise & Taxation Officer, Mohali-Punjab                      | Penalty of ₹ 15,663/-   | Punjab VAT Act, 2005 assessment for Demand on completion of VAT Assessment.  | No                                     |
| Penalty/ Fine | P1              | Office of the Commissioner of Customs, Exports, Mumbai.             | Penalty of ₹ 400,000/-  | Customs Act 1962, assessment for delay in realisation of export proceeds beyond 9 months from the date of exports for FY 2019-20.  | Yes                                    |
| Penalty/ Fine | P1              | Additional Commissioner CGST & Central Excise , Vadodara - I        | Penalty of ₹ 187,146/-  | Goods and Services Tax Act, 2017 assessment for Payment of Liability for the period FY 2017-18 to FY 2020-21.  | No                                     |
| Penalty/ Fine | P1              | Additional Commissioner, Central GST, Vadodara-I                    | Penalty of ₹ 1,403,128/-  | Goods and Services Tax Act, 2017 assessment for reversal of ITC.   | Yes                                    |
| Penalty/ Fine | P1              | Office of the Commissioner, Custom House, Kandla.                   | 1. Demand of Custom duty of ₹ 4,039,032/- being the amount of IGST saved against import effected under Advance Licence.<br>2. Redemption fine of ₹ 2,000,000/- in lieu of confiscation of goods.<br>3. Penalty equal to the duty confirmed i.e. ₹ 4,039,032/- with applicable interest (Total ₹ 10,078,064/- with interest) | Customs Act 1962, assessment for non-compliance - Pre-import condition of Notification No.18/2015- Customs dated 01.04.2015 applicable for Advance License. (Availed benefit of IGST Exemption against imports under Advance License). | Yes                                    |

**Non-Monetary**

| Particulars  | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|--------------|-----------------|---|-------------------|--|
| Imprisonment | NA              | NA  | NA                | NA                                     |
| Punishment   | NA              | NA  | NA                | NA                                     |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

The Company is in process of taking appropriate actions.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company's commitment to ethical business, anti-corruption and anti-bribery has been detailed in the Global Code of Conduct. The Company complies with all applicable anti-bribery laws, including the US Foreign Corrupt Practices Act (FCPA). As part of the Global Code of Conduct, the anti-bribery clause applies to all employees (whether permanent, temporary or contract, directly or through a contractor, manager or full-time consultant) and board members. The Company expects its business partners, including suppliers, service providers, agents, channel partners (dealers, distributors and others), to comply with the Code and its principles.

Weblink – Global Code of Conduct: <https://sunpharma.com/wp-content/uploads/2023/03/Global-Code-of-Conduct-effective-from-30th-March-2023.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| Particulars | FY 2023-24 | FY 2022-23 |
|-------------|------------|------------|
| Directors   | 0          | 0          |
| KMPs        | 0          | 0          |
| Employees   | 0          | 0          |
| Workers     | 0          | 0          |

6. Details of complaints with regard to conflict of interest:

| Particulars  | FY 2023-24 |         | FY 2022-23 |         |
|--|------------|---------|------------|---------|
|  | Number     | Remarks | Number     | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0          | NA      | 0          | NA      |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | 0          | NA      | 0          | NA      |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

The penalties imposed and reported herein are subject matter of routine assessment processes where the company takes appropriate measures including but not limited to filling of appeals against such orders etc. Penalties reported are deemed material as per SEBI Listing regulations however, they do not have any material impact on the Company.

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured):

| Particulars                         | FY 2023-24 | FY 2022-23 |
|-------------------------------------|------------|------------|
| Number of days of accounts payables | 170.6      | 188.4      |

**9. Openness of business :**

Details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties:

| Parameter                         | Metrics  | FY 2023-24 | FY 2022-23 |
|-----------------------------------|--|------------|------------|
| <b>Concentration of Purchases</b> | Purchases from trading houses as % of total purchases                                | 21.22%     | 22.00%     |
|                                   | Number of trading houses where purchases are made from                               | 827        | 827        |
|                                   | Purchases from top 10 trading houses as % of total purchases from trading houses     | 23.95%     | 33.09%     |
| <b>Concentration of Sales</b>     | Sales to dealers / distributors as % of total sales                                  | 85.85%     | 87.85%     |
|                                   | Number of dealers / distributors to whom sales are made                              | 126        | 124        |
|                                   | Sales to top 10 dealers / distributors as % of total sales to dealers / distributors | 79.49%     | 78.94%     |

| Parameter  | Metrics   | FY 2023-24   |        | FY 2022-23   |        |
|--|---|--------------|--------|--------------|--------|
|  |   | Subsidiaries | Others | Subsidiaries | Others |
| <b>Share of Related Party Transactions (RPTs) in</b> | Purchases (Purchases with related parties/Total Purchases)                          | 14.79%       | 0.03%  | 10.41%       | 0.01%  |
|  | Sales (Sales to related parties/Total Sales)  | 82.51%       | 0.15%  | 84.00%       | 0.03%  |
|  | Loans & advances (Loans & advances given to related parties/Total loans & advances) | 99.67%       | -      | 99.73%       | -      |
|  | Investments (Investments in related parties/Total Investments made)                 | 99.75%       | 0.20%  | 98.30%       | -      |

**Leadership Indicators**
**1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the Company's Global Code of Conduct (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 provide 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. The Company has constituted a Corporate Governance and Ethics Committee (CGEC), with the objective of monitoring the Company's 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 substance and intent. The CGEC 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 the Company during the year under review with the related parties were approved by the CGEC and were undertaken in the ordinary course of business and on an arm's length basis.

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**
**Essential Indicators**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| Particulars | FY 2023-24 | FY 2022-23 | Details of improvements in environmental social impacts  |
|-------------|------------|------------|--|
| R&D         | 100.00%    | 100.00%    | R&D investments pertain to spending on various projects focused on improving the environmental and/or social impacts of our products and processes.  |
| Capex       | 20.49%     | 15.60%     | These projects pertain to improving environment footprint, i.e., energy conservation, water conservation, increasing renewable energy adoption, etc. |

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the Company endeavors to implement responsible procurement practices across its supply chain. As a measure of improving its impact on the environment and society, the Company encourages local sourcing, which improves supply chain resilience, limits various risks including currency risk and reduces supply timelines. Further, it encourages local businesses to improve their capabilities. In its endeavor to further ESG practices in the supply chain, the Company has introduced ESG parameters in vendor audits intended for better understanding the supply chain ESG risks and remediation requirements.

- b. **If yes, what percentage of inputs were sourced sustainably?**

100% of inputs from critical suppliers is sourced sustainably.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

|                                | Disposing at the end of life   |
|--------------------------------|--|
| Plastic (including packaging)  | The Company has an established system for collection and recycling of the end used plastic waste for the products introduced in the domestic market as per the Extended Producer Responsibility (EPR) regulations.<br><br>The recycling and disposal of the reclaimed plastics (including packaging) is carried out as per the Government rules and the provisions of the Plastic Waste Management Rules 2022. We have engaged a waste management agency to collect and recycle plastic waste in accordance with regulatory norms. |
| E-waste                        | E-waste is sent to authorised third party recyclers as per the E-waste management rules 2022.  |
| Hazardous waste                | The Company has a comprehensive standard operating procedure for handling and safe disposal of all category of hazardous waste as per State specific regulation. The Company also co-processes some portion of its hazardous waste.  |
| Other waste (Expired Products) | The Company has a comprehensive standard operating procedure for handling and safe disposal of expired/damaged products returned by the stockist.  |

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, the Company is registered as Brand Owner as per the Extended Producer Responsibility (EPR) mandates. The Company has appointed a waste management agency to collect the end use plastic/post-consumer plastic waste from municipal garbage. The collected EPR target quantities of plastic waste is recycled every year as per the provisions of Plastic Waste Management Rules 2022.

### Leadership Indicators

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

As 100% of the Company's production activities focus on manufacturing pharmaceutical products, there is no utilisation of re-used or recycled input material. There is no scope for reusing or recycling any input material due to the criticality involved in producing and safely delivering pharmaceutical products from the perspective of consumer health, safety, compliance with pertinent regulations, and clinical studies.

- Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:**

| Particulars                      | FY 2023-24 |             |                 | FY 2022-23 |             |                 |
|----------------------------------|------------|-------------|-----------------|------------|-------------|-----------------|
|                                  | Re-Used    | Recycled    | Safely Disposed | Re-Used    | Recycled    | Safely Disposed |
| Plastics (including packaging) * | 0          | 3,772.00 MT | 0               | 0          | 2,011.52 MT | 0               |
| E-waste                          | 0          | 0           | 0               | 0          | 0           | 0               |
| Hazardous waste                  | 0          | 0           | 0               | 0          | 0           | 0               |
| <b>Other waste</b>               | 0          | 0           | 0               | 0          | 0           | 0               |

\* This is as per Extended Producer's Responsibility (EPR) compliance requirements

- Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

The Company reclaims expired/damaged medicine stock from the stockist as per the Company's standard operating procedures and guidelines. The reclaimed medicine stock is then disposed of in a safe manner, as per regulatory guidelines.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---------------------------|---|
| Pharmaceuticals           | 2.15%   |

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

### Essential Indicators

#### 1. a. Details of measures for the well-being of employees:

| Category                              | % of employees covered by |                  |            |                    |            |                    |            |                    |            |                     |            |
|---------------------------------------|---------------------------|------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
|                                       | Total (A)                 | Health insurance |            | Accident insurance |            | Maternity benefits |            | Paternity Benefits |            | Day Care facilities |            |
|                                       |                           | Number (B)       | % (B/A)    | Number (C)         | % (C/A)    | Number (D)         | % (D/A)    | Number (E)         | % (E/A)    | Number (F)          | % (F/A)    |
| <b>Permanent employees</b>            |                           |                  |            |                    |            |                    |            |                    |            |                     |            |
| Male                                  | 13,327                    | 13,327           | 100        | 13,327             | 100        | -                  | -          | 13,327             | 100        | 13,327              | 100        |
| Female                                | 1,433                     | 1,433            | 100        | 1,433              | 100        | 1,433              | 100        | -                  | -          | 1,433               | 100        |
| <b>Total</b>                          | <b>14,760</b>             | <b>14,760</b>    | <b>100</b> | <b>14,760</b>      | <b>100</b> | <b>1,433</b>       | <b>100</b> | <b>13,327</b>      | <b>100</b> | <b>14,760</b>       | <b>100</b> |
| <b>Other than Permanent employees</b> |                           |                  |            |                    |            |                    |            |                    |            |                     |            |
| Male                                  | 779                       | 779              | 100        | 779                | 100        | -                  | -          | 779                | 100        | 779                 | 100        |
| Female                                | 460                       | 460              | 100        | 460                | 100        | 460                | 100        | -                  | -          | 460                 | 100        |
| <b>Total</b>                          | <b>1,239</b>              | <b>1,239</b>     | <b>100</b> | <b>1,239</b>       | <b>100</b> | <b>460</b>         | <b>100</b> | <b>779</b>         | <b>100</b> | <b>1,239</b>        | <b>100</b> |

#### b. Details of measures for the well-being of workers:

| Category                            | % of workers covered by |                  |            |                    |            |                    |            |                    |            |                  |            |
|-------------------------------------|-------------------------|------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|------------------|------------|
|                                     | Total (A)               | Health insurance |            | Accident insurance |            | Maternity Benefits |            | Paternity Benefits |            | Health insurance |            |
|                                     |                         | Number (B)       | % (B/A)    | Number (C)         | % (C/A)    | Number (B)         | % (B/A)    | Number (E)         | % (E/A)    | Number (B)       | % (B/A)    |
| <b>Permanent workers</b>            |                         |                  |            |                    |            |                    |            |                    |            |                  |            |
| Male                                | 4,578                   | 4,578            | 100        | 4,578              | 100        | -                  | -          | 4,578              | 100        | 4,578            | 100        |
| Female                              | 192                     | 192              | 100        | 192                | 100        | 192                | 100        | -                  | -          | 192              | 100        |
| <b>Total</b>                        | <b>4,770</b>            | <b>4,770</b>     | <b>100</b> | <b>4,770</b>       | <b>100</b> | <b>192</b>         | <b>100</b> | <b>4,578</b>       | <b>100</b> | <b>4,770</b>     | <b>100</b> |
| <b>Other than Permanent workers</b> |                         |                  |            |                    |            |                    |            |                    |            |                  |            |
| Male                                | 4,542                   | 4,542            | 100        | 4,542              | 100        | -                  | -          | 4,542              | 100        | 4,542            | 100        |
| Female                              | 583                     | 583              | 100        | 583                | 100        | 583                | 100        | -                  | -          | 583              | 100        |
| <b>Total</b>                        | <b>5,125</b>            | <b>5,125</b>     | <b>100</b> | <b>5,125</b>       | <b>100</b> | <b>583</b>         | <b>100</b> | <b>4,542</b>       | <b>100</b> | <b>5,125</b>     | <b>100</b> |

#### c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent).

| Particulars   | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Cost incurred on well-being measures as a % of total revenue from operations of the Company | 0.26%      | 0.22%      |

#### 2. Details of retirement benefits

| Benefits | FY 2023-24   |  |  | FY 2022-23   |  |  |
|----------|--|--|--|--|--|--|
|          | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the Authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the Authority (Y/N/N.A.) |
| PF       | 100%   | 100%   | Yes  | 100%   | 100%   | Yes  |
| Gratuity | 100%   | 100%   | Yes  | 100%   | 100%   | Yes  |
| ESI      | 12.13%   | 25.37%   | Yes  | 14.52%   | 30.08%   | Yes  |

#### 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

In accordance with the requirements of the Rights of Persons with Disabilities Act, 2016, the Company's manufacturing facilities and corporate offices provide ramps, lifts, and infrastructure for differently abled individuals.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company's Global Code of Conduct demonstrates its commitment to non-discrimination, by offering equal opportunity to all its employees regardless of race, colour, religion, sex, national origin, ancestry, age, marital status, sexual orientation or disability.

Web link to the policy - Global Code of Conduct: <https://sunpharma.com/wp-content/uploads/2023/03/Global-Code-of-Conduct-effective-from-30th-March-2023.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees     |                    | Permanent workers       |                    |
|--------|-------------------------|--------------------|-------------------------|--------------------|
|        | Return to work rate (%) | Retention rate (%) | Return to work rate (%) | Retention rate (%) |
| Male   | 92.83%                  | 100.00%            | 92.83%                  | 100.00%            |
| Female | 100.00%                 | 100.00%            | 100.00%                 | 100.00%            |
| Total  | 93.34%                  | 100.00%            | 92.86%                  | 100.00%            |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

| Particulars                              | Yes/No (If Yes, then give details of the mechanism in brief)  |
|--|---|
| Permanent Employees & Workers            | The Company provides an 'Ask HR' portal for its permanent employees to address any of their concerns or questions. Permanent employees and workers can also raise their concerns through RAY, a dedicated grievance redressal platform. Additionally, the Company provides a grievance redressal procedure as part of its Global Whistleblower Policy and encourages its employees and workers to report any instances of unethical behavior, incidents, fraud, or violations. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013 and the Rules made there under. Employees/workers can file any complaints/grievances related to sexual harassment under this mechanism. |
| Other than Permanent Employees & Workers | Yes, the non-permanent employees and workers can report their concerns to their respective superiors. The grievances are then submitted to the Company for required action and resolution. They can also use the Company's Global Whistleblower process to report any instances of unethical behavior, incidents, or violations.<br><br>The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under. Non-permanent employees/workers can file any complaints/grievances related to sexual harassment under this mechanism.  |

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category                   | FY 2023-24   |  |              | FY 2022-23   |  |              |
|----------------------------|--|--|--------------|--|--|--------------|
|                            | Total employees/workers in respective category (A) | No. of employees/workers in respective category, who are part of association(s) or Union (B) | % (B/A)      | Total employees/workers in respective category (C) | No. of employees/workers in respective category, who are part of association(s) or Union (D) | % (D/C)      |
| <b>Permanent Employees</b> |  |  |              |  |  |              |
| Male                       | 13,327   | 0  | -            | 13,100   | 0  | -            |
| Female                     | 1,433  | 0  | -            | 1,148  | 0  | -            |
| <b>Total</b>               | <b>14,760</b>                                      | <b>0</b>   | <b>-</b>     | <b>14,248</b>                                      | <b>0</b>   | <b>-</b>     |
| <b>Permanent Workers</b>   |  |  |              |  |  |              |
| Male                       | 4,578  | 810  | 17.69        | 4,724  | 864  | 18.29        |
| Female                     | 192  | 88   | 45.83        | 152  | 88   | 57.89        |
| <b>Total</b>               | <b>4,770</b>                                       | <b>898</b>   | <b>18.83</b> | <b>4,876</b>                                       | <b>952</b>   | <b>19.52</b> |



## 8. Details of training given to employees and workers:

| Category         | FY 2023-24    |                               |            |                      |            | FY 2022-23    |                               |            |                      |            |
|------------------|---------------|-------------------------------|------------|----------------------|------------|---------------|-------------------------------|------------|----------------------|------------|
|                  | Total (A)     | On Health and safety measures |            | On Skill upgradation |            | Total (D)     | On Health and safety measures |            | On Skill upgradation |            |
|                  |               | No. (B)                       | % (B/A)    | No. (C)              | % (C/A)    |               | No. (E)                       | % (E/D)    | No. (F)              | % (F/D)    |
| <b>Employees</b> |               |                               |            |                      |            |               |                               |            |                      |            |
| Male             | 13,327        | 13,327                        | 100        | 13,327               | 100        | 13,100        | 13,100                        | 100        | 13,100               | 100        |
| Female           | 1,433         | 1,433                         | 100        | 1,433                | 100        | 1,148         | 1,148                         | 100        | 1,148                | 100        |
| <b>Total</b>     | <b>14,760</b> | <b>14,760</b>                 | <b>100</b> | <b>14,760</b>        | <b>100</b> | <b>14,248</b> | <b>14,248</b>                 | <b>100</b> | <b>14,248</b>        | <b>100</b> |
| <b>Workers</b>   |               |                               |            |                      |            |               |                               |            |                      |            |
| Male             | 4,578         | 4,578                         | 100        | 4,578                | 100        | 4,724         | 4,724                         | 100        | 4,724                | 100        |
| Female           | 192           | 192                           | 100        | 192                  | 100        | 152           | 152                           | 100        | 152                  | 100        |
| <b>Total</b>     | <b>4,770</b>  | <b>4,770</b>                  | <b>100</b> | <b>4,770</b>         | <b>100</b> | <b>4,876</b>  | <b>4,876</b>                  | <b>100</b> | <b>4,876</b>         | <b>100</b> |

## 9. Details of performance and career development reviews of employees and workers:

| Category         | FY 2023-24    |               |            | FY 2022-23    |               |            |
|------------------|---------------|---------------|------------|---------------|---------------|------------|
|                  | Total (A)     | No. (B)       | % (B/A)    | Total (C)     | No. (D)       | % (D/C)    |
| <b>Employees</b> |               |               |            |               |               |            |
| Male             | 13,327        | 13,327        | 100        | 13,100        | 13,100        | 100        |
| Female           | 1,433         | 1,433         | 100        | 1,148         | 1,148         | 100        |
| <b>Total</b>     | <b>14,760</b> | <b>14,760</b> | <b>100</b> | <b>14,248</b> | <b>14,248</b> | <b>100</b> |
| <b>Workers</b>   |               |               |            |               |               |            |
| Male             | 4,578         | 4,578         | 100        | 4,724         | 4,724         | 100        |
| Female           | 192           | 192           | 100        | 152           | 152           | 100        |
| <b>Total</b>     | <b>4,770</b>  | <b>4,770</b>  | <b>100</b> | <b>4,876</b>  | <b>4,876</b>  | <b>100</b> |

## 10. Health and safety management system:

## a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?

All manufacturing locations of the Company have a formalised Occupational Health and Safety management system, aligned to the requirements of ISO 45001:2018 standard, the Company's EHS Management system, and legal requirements such as Factories Act, Indian Boilers Act, Environment Protection Act, The Epidemic Disease Act, among others. Requisite safety management systems are in place at our office locations. The coverage of the Company's Occupational Health and Safety Management System is 100%.

## b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

In line with the requirements of the ISO 45001:2018 Standard, periodic internal and external audits are undertaken to monitor compliance and identify and assess work-related hazards in a timely manner. The Company also provides Environment Health and Safety (EHS) training to its personnel. The Company's Process Safety Management system supports the implementation of best safety practices. Identification of potential risks are also undertaken through designed checklists, Hazard and Operability Studies (HAZOP), Hazard Identification and Risk Assessment (HIRA) and other consequence modelling studies.

## c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, The Company has formalised robust Standard Operating Procedures (SOPs) for timely identification and mitigation of work-related hazards and risks. The Company provides occupational health and safety training to all workers. The training modules cover methodologies to identify workplace hazards, evaluate the risks involved, as well as take appropriate action to reduce them. Employees receive training on how to use emergency equipment like fire hydrants, fire-fighting systems, leak and spill control methods, safety alarms, and more during the safety and emergency evacuation drills. Additionally, the ability of the staff to handle emergencies is assessed on a regular basis. The practical training and online safety modules educate employees about reporting and responding to work-related hazards.

**d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, the Company provides its employees and workers with non-occupational medical and healthcare services. Moreover, the Company ensures that all of its employees and workers have access to medical insurance. The Company designs holistic health programmes that promote healthy lifestyle practices in order to enhance physical and mental well-being for all employees and workers. Examples of health programmes and services provided to employees include:

- Family welfare camp
- Nutrition awareness camp
- Eye, dental, and heart screenings
- Stress management session
- Lifestyle counselling session
- Monthly sessions on Health topics with renowned Doctors
- Mann Talks – Counselling sessions on mental health

**11. Details of safety related incidents:**

| Safety Incident/Number  | Category  | FY 2023-24 | FY 2022-23 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR)                                   | Employees | 0          | 0.067      |
|   | Workers   | 0.060      | 0.22       |
| Total recordable work-related injuries                                    | Employees | 12         | 13         |
|   | Workers   | 6          | 8          |
| No. of fatalities   | Employees | 0          | 0          |
|   | Workers   | 0          | 0          |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0          | 0          |
|   | Workers   | 0          | 0          |

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Within its Environment, Health, and Safety (EHS) management system, the Company incorporates the guidelines and principles of ISO 45001:2018, OSHA standards, the Factory Act and other State-level regulations. The EHS Policy is designed to promote a safe environment for all employees, business partners, contractors, subcontractors, visitors, suppliers and the neighboring communities. The Company conducts internal and external audits on a regular basis to ensure that its safety practices and procedures are in accordance with the EHS management system and the ISO 45001:2018 criteria. The Company identifies key areas requiring immediate corrective action as a part of the auditing procedures. The safety incidents and hazards are investigated to establish the root cause, after which corrective action plans are developed for preventing similar incidents from arising in the future. Furthermore, as part of the EHS management system, the Company conducts safety training for all of its employees and workers through various modules and safety drill practices. The safety training programs enable the workforce to build a firm foundation in terms of their abilities to detect, reduce, and prevent occupational health and safety issues. The Company strives to address the healthcare needs of its employees through various health awareness sessions, medical facility services and medical insurance benefits. Furthermore, the Company offers voluntary health promotion services such as lifestyle counselling, stress management sessions, and nutritional awareness programs, among others, to encourage healthy lifestyle practices.

**13. Number of Complaints on the following made by employees and workers:**

|                    | FY 2023-24            |                                       |         | FY 2022-23            |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0                     | 0                                     | -       | 0                     | 0                                     | -       |
| Health & Safety    | 0                     | 0                                     | -       | 0                     | 0                                     | -       |

## 14. Assessments for the year:

| Particulars                 | % of your plants and offices that were assessed (by entity or statutory authorities or third parties)   |
|-----------------------------|---|
| Health and safety practices | 100% of the locations are audited internally by the entity. Internal experts conduct the audits in order to ensure compliance with safety rules and the identification of important improvement areas. 68.42% of locations have been assessed on health and safety practices by third party auditors, as per requirements of the ISO 45001:2018 standards). |
| Working Conditions          | 100% (All the sites are assessed on their working conditions by the internal and external audits)   |

## 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health &amp; safety practices and working conditions.

There have been no adverse findings from the assessments undertaken for the reporting year and hence no corrective actions were required.

## Leadership Indicators

## 1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the Company extends a compensatory package to all its employees including workers in event of death.

## 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company requires its value chain partners to abide by the principles of the Company's Supplier Code of Conduct and implement responsible business conduct principles in its operating practices and in line with contractual obligations.

## 3. Provide the number of employees/workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| Particulars | Total no. of affected employees/workers |            | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |            |
|-------------|---|------------|---|------------|
|             | FY 2023-24                              | FY 2022-23 | FY 2023-24  | FY 2022-23 |
| Employees   | 0                                       | 0          | 0   | 0          |
| Workers     | 0                                       | 0          | 0   | 0          |

## 4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Throughout their employment, all employees receive skill-upgradation training from the Company on a regular basis. The training programmes address the specific needs of the cadre and key function areas. This may help employees to continue working after retirement or termination based on the acquired expertise.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**
**Essential Indicators**
**1. Describe the processes for identifying key stakeholder groups of the entity.**

The Company actively engages with stakeholders, carefully identifying critical material issues, and is committed to effectively addressing stakeholder expectations. As a responsible company, we are steadfast in our commitment to cultivating strong and meaningful relationships with stakeholders. The stakeholder engagement process, which is based on inclusivity, accountability, and responsibility, helps us to identify the stakeholder groups. The Company has defined important stakeholder groups based on those who are impacted as well as those who have a significant impact on the business as part of the stakeholder engagement and materiality assessment exercise. Investors/shareholders, regulators, suppliers/vendors/third-party manufacturers, non-governmental organisations (NGO), community, customer B2B, employees, and senior management are the primary internal and external stakeholder groups defined by the Company as part of the engagement process.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Stakeholder Group                            | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website) Other   | Frequency of engagement (Annually/ Half yearly/Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement   |
|--|--|--|--|---|
| Investors / Shareholders                     | No   | <ul style="list-style-type: none"> <li>Annual/ quarterly reports and earning calls</li> <li>Attending investor conferences</li> <li>Issuing specific event-based press releases</li> <li>Investor presentations</li> </ul> | Quarterly/ need based  | Investors/ Shareholders form an integral part of the stakeholder group, influencing the decisions of the Company. The key areas of interest for the investors/ shareholders are: <ul style="list-style-type: none"> <li>Corporate governance</li> <li>ESG</li> <li>Regulatory compliance</li> <li>Responsible supply chain management</li> <li>Product responsibility</li> <li>Cost competitiveness</li> <li>Overall Company performance</li> </ul> |
| Regulator                                    | No   | <ul style="list-style-type: none"> <li>In-person meetings</li> <li>Email</li> </ul>  | Need- based  | Transparent communication with the regulators is critical from the compliance perspective. The key areas of interests for the regulators are: <ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Community engagement</li> <li>Rural market penetration</li> <li>Supply chain continuity</li> <li>Product responsibility</li> </ul>  |
| Supplier / Vendor / Third party manufacturer | No   | <ul style="list-style-type: none"> <li>Vendor meets</li> <li>Virtual modes such as e-mail, telephonically</li> </ul>   | Ongoing  | Responsible supply chain practices are critical to ensure business continuity in a sustainable manner. Engagement with suppliers enables the Company to identify the key material issues impacting the supply chain. The key areas of interest for the suppliers are <ul style="list-style-type: none"> <li>Collaboration</li> <li>Quality standards adherence</li> <li>Timely Supply of Materials</li> <li>Timely payments</li> <li>ESG</li> </ul> |
| NGO  | No   | <ul style="list-style-type: none"> <li>In-person meetings</li> <li>Virtual modes such as e-mail, telephonically</li> </ul>   | Ongoing  | Engaging with NGOs facilitates the streamlining of the CSR activities undertaken in partnership. The key areas of interest for NGO are: <ul style="list-style-type: none"> <li>Employee volunteering</li> <li>Agile management process</li> </ul>   |
| Community                                    | Yes  | <ul style="list-style-type: none"> <li>In-person meetings</li> <li>Engagement through NGO partners</li> </ul>  | Ongoing  | Community development programs initiated by the Company helps in driving a positive impact on the community members. The key areas of interest for community are: <ul style="list-style-type: none"> <li>Community development programs with a focus on health, education, sanitation and infrastructure development</li> </ul>   |

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website) Other                          | Frequency of engagement (Annually/ Half yearly/Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement   |
|-------------------|--|---|--|---|
| Customers B2B     | No   | <ul style="list-style-type: none"> <li>In-person meetings</li> <li>Email</li> <li>Customer feedback sessions</li> </ul>                               | Ongoing  | <p>Customers form a vital part of the Company's stakeholder engagement group. The key areas of interest for Customer B2B are:</p> <ul style="list-style-type: none"> <li>Product quality, timely supply and pricing</li> </ul>  |
| Employees         | No   | <ul style="list-style-type: none"> <li>Employee focused web portal</li> <li>Email</li> <li>Employee engagement surveys</li> <li>Town-halls</li> </ul> | Ongoing  | <p>Employee well-being and satisfaction is an integral part of the Company's growth strategy. Employee engagement through various means of communication provides an insight into the key action areas for employee well-being and growth. The key areas of interest for employees are:</p> <ul style="list-style-type: none"> <li>Learning and Development</li> <li>Professional Growth</li> <li>Well-being initiatives</li> <li>Employee recognition</li> <li>Fair remuneration</li> <li>Work-life balance</li> </ul> |
| Senior Leadership | No   | <ul style="list-style-type: none"> <li>In-person meetings</li> <li>Virtual modes such as e-mail, telephonically</li> </ul>                            | Ongoing  | <p>Senior leadership are the key drivers of the Company's sustainable value creation strategy. Senior leadership engagement facilitates the interlinkage of business and sustainable value creation. The key areas of interest for senior leadership are:</p> <ul style="list-style-type: none"> <li>Sustainable and resilient business operations</li> <li>R&amp;D and innovation</li> <li>Overall Company performance</li> </ul>  |

### Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

At Sun Pharmaceutical Industries Limited, we strongly acknowledge the importance of focused stakeholder engagement for timely identification of environment, social and governance issues material to the Company. Emerging from the extensive stakeholder engagement exercise undertaken in FY 2020-21, material issues were identified and presented to the highest governing member and the Board for their consideration towards guiding strategy and decision making. The stakeholder engagement exercise is periodically reviewed as part of the Company's efforts to continuously interact with internal and external stakeholder groups for identification of the important material issues influencing them.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, material topics related to ESG are identified and prioritised after consultation with the stakeholders. The Company then formulates strategies and creates action plans for the identified material topics. The Company's Sustainability Report contains non-financial disclosures that are guided by the results and outcomes of the materiality assessment. The Company discloses its management strategy, targets/goals, and non-financial performance in the reporting year for each of the specified material areas in accordance with national and international norms and standards.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

The Company has designated community members as a vulnerable/marginalised stakeholder group. The Company conducts community needs assessment as part of the Corporate Social Responsibility (CSR) programs to determine and prioritise the focus areas for community development. The Company has implemented a number of such CSR projects in six priority areas, including disaster assistance, rural development, sanitation, and drinking water projects. Refer to the Annual Report and the Company's Annual CSR report for more information.

**PRINCIPLE 5 Businesses should respect and promote human rights**
**Essential Indicators**
**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:**

| Category             | FY 2023-24    |                                      |            | FY 2022-23    |                                      |            |
|----------------------|---------------|--------------------------------------|------------|---------------|--------------------------------------|------------|
|                      | Total (A)     | No. of employees/workers covered (B) | % (B/A)    | Total (C)     | No. of employees/workers covered (D) | % (D/C)    |
| <b>Employees</b>     |               |                                      |            |               |                                      |            |
| Permanent            | 14,760        | 14,760                               | 100        | 14,248        | 14,248                               | 100        |
| Other than permanent | 1,239         | 1,239                                | 100        | 1,267         | 1,267                                | 100        |
| <b>Total</b>         | <b>15,999</b> | <b>15,999</b>                        | <b>100</b> | <b>15,515</b> | <b>15,515</b>                        | <b>100</b> |
| <b>Workers</b>       |               |                                      |            |               |                                      |            |
| Permanent            | 4,770         | 4,770                                | 100        | 4,876         | 4,876                                | 100        |
| Other than permanent | 5,125         | 5,125                                | 100        | 4,376         | 4,376                                | 100        |
| <b>Total</b>         | <b>9,895</b>  | <b>9,895</b>                         | <b>100</b> | <b>9,252</b>  | <b>9,252</b>                         | <b>100</b> |

**2. Details of minimum wages paid to employees and workers:**

| Category                    | FY 2023-24    |                       |          |                        |            | FY 2022-23    |                       |          |                        |            |
|-----------------------------|---------------|-----------------------|----------|------------------------|------------|---------------|-----------------------|----------|------------------------|------------|
|                             | Total (A)     | Equal to Minimum Wage |          | More than Minimum Wage |            | Total (D)     | Equal to Minimum Wage |          | More than Minimum Wage |            |
|                             |               | No. (B)               | % (B/A)  | No. (C)                | % (C/A)    |               | No. (E)               | % (E/D)  | No. (F)                | % (F/D)    |
| <b>Employees</b>            |               |                       |          |                        |            |               |                       |          |                        |            |
| <b>Permanent</b>            | <b>14,760</b> | <b>0</b>              | <b>0</b> | <b>14,760</b>          | <b>100</b> | <b>14,248</b> | <b>0</b>              | <b>0</b> | <b>14,248</b>          | <b>100</b> |
| Male                        | 13,327        | 0                     | 0        | 13,327                 | 100        | 13,100        | 0                     | 0        | 13,100                 | 100        |
| Female                      | 1,433         | 0                     | 0        | 1,433                  | 100        | 1,148         | 0                     | 0        | 1,148                  | 100        |
| <b>Other than Permanent</b> | <b>1,239</b>  | <b>0</b>              | <b>0</b> | <b>1,239</b>           | <b>100</b> | <b>1,267</b>  | <b>0</b>              | <b>0</b> | <b>1,267</b>           | <b>100</b> |
| Male                        | 779           | 0                     | 0        | 779                    | 100        | 943           | 0                     | 0        | 943                    | 100        |
| Female                      | 460           | 0                     | 0        | 460                    | 100        | 324           | 0                     | 0        | 324                    | 100        |
| <b>Workers</b>              |               |                       |          |                        |            |               |                       |          |                        |            |
| <b>Permanent</b>            | <b>4,770</b>  | <b>0</b>              | <b>0</b> | <b>4,770</b>           | <b>100</b> | <b>4,876</b>  | <b>0</b>              | <b>0</b> | <b>4,876</b>           | <b>100</b> |
| Male                        | 4,578         | 0                     | 0        | 4,578                  | 100        | 4,724         | 0                     | 0        | 4,724                  | 100        |
| Female                      | 192           | 0                     | 0        | 192                    | 100        | 152           | 0                     | 0        | 152                    | 100        |
| <b>Other than Permanent</b> | <b>5,125</b>  | <b>0</b>              | <b>0</b> | <b>5,125</b>           | <b>100</b> | <b>4,376</b>  | <b>0</b>              | <b>0</b> | <b>4,376</b>           | <b>100</b> |
| Male                        | 4,542         | 0                     | 0        | 4,542                  | 100        | 3,812         | 0                     | 0        | 564                    | 100        |
| Female                      | 583           | 0                     | 0        | 583                    | 100        | 564           | 0                     | 0        | 564                    | 100        |

**3. Details of remuneration/ salary/ wages**
**a. Median remuneration/ wages (₹)**

| Category                         | Male   |   | Female |   |
|----------------------------------|--------|---|--------|---|
|                                  | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD)         | 8      | 8,150,000   | 1      | 5,100,000   |
| Key Managerial Personnel (KMP)   | 2      | 29,937,669  | 0      | -   |
| Employees other than BoD and KMP | 13,325 | 858,744   | 1,433  | 691,576   |
| Workers                          | 4,578  | 382,980   | 192    | 227,520   |

**b. Gross wages paid to females as a % of total wages paid by the entity:**

| Particulars                                       | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Gross wages paid to females as a % of total wages | 8.44%      | 7.62%      |

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the Company's Chief Human Resources Officer is responsible for monitoring and addressing human rights impacts and issues. As part of its Human Rights Policy, the Company expects all key stakeholders to respect and comply with the policy principles, as well as all applicable laws and regulations, in all of its operating regions.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company's Human Rights Policy outlines the grievance redressal mechanism through the open channels of communication and the Ombudsman channel as per the Global Whistleblower Policy. The Ombudsman ensures the confidentiality of the complaints and grievances received through Email: [ombudsmanSPIL@sunpharma.com](mailto:ombudsmanSPIL@sunpharma.com).

**6. Number of Complaints on the following made by employees and workers:**

| Particulars                       | FY 2023-24 |         |         | FY 2022-23 |         |         |
|-----------------------------------|------------|---------|---------|------------|---------|---------|
|                                   | Filed      | Pending | Remarks | Filed      | Pending | Remarks |
| Sexual Harassment                 | 2          | 0       | -       | 4          | 0       | -       |
| Discrimination at workplace       | 0          | 0       | -       | 0          | 0       | -       |
| Child Labour                      | 0          | 0       | -       | 0          | 0       | -       |
| Forced labour/ Involuntary labour | 0          | 0       | -       | 0          | 0       | -       |
| Wages                             | 0          | 0       | -       | 0          | 0       | -       |
| Other human rights related issues | 0          | 0       | -       | 0          | 0       | -       |

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

| Particulars   | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 2          | 4          |
| Complaints on POSH as a % of female employees/workers   | 0.07       | 0.18       |
| Complaints on POSH upheld   | 2          | 4          |

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Under the Global Whistleblower Policy, the Company protects the complainant. All complaints are investigated carefully in a confidential manner, ensuring the complainant's protection from retaliation. All whistleblowers are provided with the necessary safeguards to make Protected Disclosures in good faith in all areas mentioned in the Global Code of Conduct, such as business with integrity, responsible corporate citizenship, illegal and unfair labour practices, trade practices, and other laws. For the cases pertaining to sexual harassment, the Company's policy on prevention, prohibition, and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder ensures strict confidentiality of the investigation procedure and protection of the identity of the complainant.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, Human Rights requirements have been embedded into the Company's business agreements. The Global Code of Conduct highlights the Company's commitment to Human Rights and extends to all employees and business partners throughout the value chain. The Company has implemented a dedicated Supplier Code of Conduct Policy capturing human rights practices and provisions. Further details may be found at: <https://sunpharma.com/policies/>.

**10. Assessments for the year:**

| Particulars                 | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child labour                | 100%  |
| Forced/involuntary labour   | 100%  |
| Sexual harassment           | 100%  |
| Discrimination at workplace | 100%  |
| Wages                       | 100%  |

All the locations under the entity are assessed on the above parameters, complying with the requirements of the Shops and establishments Act for offices, and the Factories Act for plants and R&D centres.

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

Not Applicable

**Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

In the reporting year, there have been no business process modifications as a result of addressing human rights grievances/complaints.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

The Company's Human Rights Policy expects all the employees and members of the value chain to abide by its principles. As part of the policy statement, the Company outlines that it will undertake human rights due diligence to identify the adverse human rights impact of the business on all relevant stakeholders and correspondingly address, prevent and mitigate through corrective actions.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, as per the requirements of the Rights of Persons with Disabilities Act 2016, the Company's manufacturing sites and offices have ramps, elevators, and infrastructure for differently abled individuals.



**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**
**Essential Indicators**
**1. Details of total energy consumption (in Joules or multiples) and energy intensity:**

| Parameter   | FY 2023-24          | FY 2022-23          |
|---|---------------------|---------------------|
| <b>From renewable sources</b>   |                     |                     |
| Total Electricity consumption (A)   | 269,216 GJ          | 161,783 GJ          |
| Total fuel consumption (B)  | 462,090 GJ          | 410,840 GJ          |
| Energy consumption through other sources (C)  | 607,965 GJ          | 698,069 GJ          |
| Total energy consumed from renewable sources (A+B+C)  | 1,339,271 GJ        | 1,270,692 GJ        |
| Percentage of total energy from renewable sources   | 45.23%              | 39.60%              |
| <b>From non-renewable sources</b>   |                     |                     |
| Total electricity consumption (D)   | 1,161,258 GJ        | 1,327,450 GJ        |
| Total fuel consumption (E)  | 409,844 GJ          | 608,711 GJ          |
| Energy consumption through other sources (F)  | 50,665 GJ           | 0 GJ                |
| <b>Total energy consumed from nonrenewable sources (D+E+F)</b>  | <b>1,621,768 GJ</b> | <b>1,936,161 GJ</b> |
| <b>Total energy consumed (A+B+C+D+E+F)</b>  | <b>2,961,039 GJ</b> | <b>3,206,853 GJ</b> |
| Energy intensity per rupee of turnover<br>(Total energy consumption in Giga Joule / Revenue from operations in ₹ Million)   | 14.60               | 15.41               |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*<br>(Total energy consumed in Giga Joule / Revenue from operations adjusted for PPP in ₹ Million) | 334.15              | 352.55              |
| Energy intensity in terms of physical output<br>(Total energy consumption in Giga Joule / Metric Tonnes production)   | 269.73              | 249.80              |

\* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes- DNV Business Assurance India Private Limited

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

None of our Site/ facilities are identified as designated consumer (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India. In the reporting year, the central government in consultation with the Bureau of Energy Efficiency has notified and amended designated consumer list and included chemical sector (including pharmaceuticals API) having energy consumption of 3,000 metric tonnes of oil equivalent per year or above as designated consumer. We are currently in the process of reaching out to the relevant authorities for further guidance.

**3. Disclosures related to water:**

| Parameter  | FY 2023-24       | FY 2022-23       |
|--|------------------|------------------|
| <b>Water withdrawal by source (in kilolitres)</b>  |                  |                  |
| (i) Surface water  | 256,573          | 578,741          |
| (ii) Groundwater   | 595,511          | 752,557          |
| (iii) Third party water  | 950,349          | 820,579          |
| (iv) Seawater / desalinated water  | 0                | 0                |
| (v) Others   | 0                | 0                |
| <b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>  | <b>1,802,434</b> | <b>2,151,878</b> |
| <b>Total volume of water consumption (in kilolitres)</b>   | <b>1,701,011</b> | <b>2,032,731</b> |
| Water intensity per rupee of turnover<br>(Total water consumption in kilolitres / Revenue from operations in ₹ Million)  | 8.39             | 9.77             |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*<br>(Total water consumption in kilolitres / Revenue from operations adjusted for PPP in ₹ Million) | 191.95           | 223.47           |
| Water intensity in terms of physical output<br>(Total water consumption in kilolitres / Metric Tonnes production)  | 154.95           | 158.34           |

\* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency**

Yes- DNV Business Assurance India Private Limited

**4. Provide the following details related to water discharged:**

| Parameter   | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b>  |            |            |
| (i) To Surface water  |            |            |
| - No treatment  | 0          | 0          |
| - With treatment – please specify level of treatment  | 0          | 0          |
| (ii) To Groundwater   |            |            |
| - No treatment  | 0          | 0          |
| - With treatment – please specify level of treatment  | 0          | 0          |
| (iii) To Seawater   |            |            |
| - No treatment  | 0          | 0          |
| - With treatment – please specify level of treatment Tertiary Treatment   | 0          | 0          |
| (iv) Sent to third-parties  |            |            |
| - No treatment  | 0          | 0          |
| - With treatment – please specify level of treatment  |            |            |
| Primary Treatment   | 16,776     | 58,189     |
| Secondary treatment   | -          | -          |
| Tertiary treatment  | 84,647     | 60,958     |
| (v) Others  |            |            |
| - No treatment  | 0          | 0          |
| - With treatment – please specify level of treatment  | 0          | 0          |
| Total water discharged (in kilolitres)  | 101,423    | 119,147    |
| Water discharged per rupee of turnover<br>(Total Water discharged in kilolitres / Revenue from operations in ₹ Million) | 0.50       | 0.57       |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes- DNV Business Assurance India Private Limited

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes. Within the Company's locations, 14 manufacturing locations have Zero Liquid Discharge (ZLD) mechanism. The Company has adopted reduce, reuse, recycle and recharge strategy to conserve water. Process and domestic wastewater is treated in a facility consisting of primary, secondary and tertiary treatment with membrane filtration (UF/RO). Treated process wastewater is recycled in utilities as boiler feed and cooling tower makeup water. Domestic wastewater is treated and used for gardening and flushing.

**6. Details of air emissions (other than GHG emissions) by the entity:**

| Parameter                           | Unit | FY 2023-24 | FY 2022-23 |
|-------------------------------------|------|------------|------------|
| NOx                                 | MT   | 173        | 126        |
| SOx                                 | MT   | 106        | 121        |
| Particulate matter (PM)             | MT   | 153        | 142        |
| Persistent organic pollutants (POP) | -    | -          | -          |
| Volatile organic compounds (VOC)    | -    | -          | -          |
| Hazardous air pollutants (HAP)      | -    | -          | -          |
| Others – please specify             | -    | -          | -          |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes- DNV Business Assurance India Private Limited

## 7. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

| Parameter   | Unit   | FY 2023-24 | FY 2022-23 |
|---|--|------------|------------|
| Total Scope 1 emissions<br>(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)  | tCO <sub>2</sub> e   | 111,175    | 122,306    |
| • CO <sub>2</sub>   | tCO <sub>2</sub>   | 26,463     | 41,179     |
| • CH <sub>4</sub>   | tCO <sub>2</sub> e   | 25         | 54         |
| • N <sub>2</sub> O  | tCO <sub>2</sub> e   | 43         | 84         |
| • HFC   | tCO <sub>2</sub> e   | 84,644     | 80,989     |
| Total Scope 2 emissions<br>(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)  | tCO <sub>2</sub>   | 237,766    | 261,803    |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover<br>(Total Scope 1 and Scope 2 GHG emissions in Metric Tonnes of CO <sub>2</sub> eq / Revenue from operations in ₹ Million)   | tCO <sub>2</sub> e / ₹ Million   | 1.72       | 1.85       |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*<br>(Total Scope 1 and Scope 2 GHG emissions Metric Tonnes of CO <sub>2</sub> eq / Revenue from operations adjusted for PPP in ₹ Million) | tCO <sub>2</sub> e / Revenue from operations adjusted for PPP in ₹ Million | 39.38      | 42.23      |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output<br>(Total Scope 1 and Scope 2 GHG emissions in Metric Tonnes of CO <sub>2</sub> eq / Metric Tonnes production)   | tCO <sub>2</sub> e / Metric Tonnes production                              | 31.79      | 29.92      |

\* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes- DNV Business Assurance India Private Limited.

## 8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

### Conservation of Energy

The company is committed to continuously improve energy performance and conserve energy in its various operations. A dedicated team is continuously working to ensure efficient use of energy. Equipment and plant-wise energy consumption is monitored and benchmarking is done at frequent interval, energy gap assessment is carried out, energy conservation projects are identified and implemented. The energy conservation projects have resulted into reduction in carbon emission and has supported the organisation's decarbonisation journey.

We have also implemented Energy Management System ISO 50001:2018 at some of our sites to further ensure structured and systematic approach towards energy conservation.

### Major energy projects related to reducing GHG emission are listed below:

- Utilisation of heat pump for hot water generator and reducing steam consumption.
- Demand side compressed air management to reduce power consumption at air compressors.
- Replacement of existing chiller with energy efficient chillers.
- Use of variable frequency drives to improve pumping and compressor energy performance.
- Use of energy efficient dryer to minimise power consumption.
- Condensate recovery improvement, resulting in fuel and water reduction at various sites.
- Hot water temperature reduced to reduce steam requirement.
- Old energy inefficient motors replaced with energy efficient motors.
- Replacement of old energy inefficient pump with energy efficient pump in cooling towers.
- Motion sensor installed at various location to minimise energy wastage.
- Piping modification for energy efficient distribution.
- Heat recovery at Multi Effect Evaporator (MEE) and Agitated Thin Film Dryer (ATFD) to preheat boiler feed water.
- Utilisation of flash steam to reduce further energy requirement at Heat pump.
- Minimising duct leakages in HVAC by regular audit and advance sealing technology.

We are consistently taking various initiatives to reduce carbon emission and utilising alternate source of energy.

**Major projects related to utilisation of Renewable energy are listed below:**

- Captive Hybrid (Wind + Solar) power plant has been installed to meet partial power requirement for some of our manufacturing facilities at Gujarat.
- Captive solar power plant has been installed to meet partial power requirement of Dewas site.
- The Company is using Captive Wind mills to meet its partial power requirement at Maduranthakam (MKM) site.
- Captive solar rooftop has been installed at Halol, Gurugram, Silvassa, Dadra, and Vadodara sites.
- Conventional boiler fuels like furnace oil/high speed diesel at most of the locations have been substituted by renewable biomass briquettes for steam generation.

**9. Details related to waste management by the entity:**

| Parameter  | FY 2023-24    | FY 2022-23    |
|--|---------------|---------------|
| <b>Total Waste generated (in metric tonnes)</b>  |               |               |
| Plastic waste (A)  | 1,419         | 1,015         |
| E-waste (B)  | 11            | 6             |
| Bio-medical waste (C)  | 76            | 66            |
| Construction and demolition waste (D)  | 0             | 0             |
| Battery waste (E)  | 76            | 50            |
| Radioactive waste (F)  | 0             | 0             |
| Other Hazardous waste (G) - spent solvent, spent oil, spent catalysts, distillation residues, chemical sludge, process residue, discarded/ off-specification products              | 24,432        | 25,684        |
| Other Non-hazardous waste generated (H) - Glass scrap, metal scrap, wooden scrap, storage drums, corrugated box, paper waste, boiler ash   | 13,708        | 16,410        |
| <b>Total (A+B + C + D + E + F + G + H)</b>   | <b>39,723</b> | <b>43,231</b> |
| Waste intensity per rupee of turnover (Total waste generated in Metric Tonnes / Revenue from operations in ₹ Million)  | 0.20          | 0.21          |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total waste generated in Metric Tonnes / Revenue from operations adjusted for PPP in ₹ Million) | 4.48          | 4.75          |
| Waste intensity in terms of physical output (Total Metric Tonnes Waste / Metric Tonnes production)   | 3.62          | 3.37          |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>                                     |               |               |
| <b>Hazardous Waste</b>   |               |               |
| (i) Recycled   | 14,948        | 14,111        |
| (ii) Re-used   | 0             | 0             |
| (iii) Other recovery operations  | 0             | 0             |
| <b>Total</b>   | <b>14,948</b> | <b>14,111</b> |
| <b>Non-hazardous Waste</b>   |               |               |
| (i) Recycled   | 11,619        | 16,787        |
| (ii) Re-used   | 459           | 0             |
| (iii) Other recovery operations  | 2,484         | 443           |
| <b>Total</b>   | <b>14,562</b> | <b>17,230</b> |
| <b>E-waste</b>   |               |               |
| (i) Recycled   | 12.16         | 2.34          |
| (ii) Re-used   | 0             | 0             |
| (iii) Other recovery operations  | 0.51          | 0             |
| <b>Total</b>   | <b>12.67</b>  | <b>2.34</b>   |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>  |               |               |
| <b>Hazardous Waste</b>   |               |               |
| (i) Incineration   | 608           | 605           |
| (ii) Landfilling   | 5,970         | 7,286         |
| (iii) Co-processing  | 2,602         | 2,198         |
| (iv) Other disposal operations   | 0             | 0             |
| <b>Total</b>   | <b>9,179</b>  | <b>10,089</b> |
| <b>Non-hazardous Waste</b>   |               |               |
| (i) Incineration   | 8             | 0             |
| (ii) Landfilling   | 0             | 0             |
| (iii) Other disposal operations  | 0             | 0             |
| <b>Total</b>   | <b>8</b>      | <b>0</b>      |

\* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes- DNV Business Assurance India Private Limited

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company's waste management plan includes a strategy for waste minimisation, segregation, and safe disposal. The Company has implemented a number of measures to reduce manufacturing rejects aligned with its resource optimisation and waste minimisation objectives. The Company complies with the requirements of Extended Producer Responsibility (EPR) by collecting end-of-use plastic and improving its management of plastic waste. Additionally, the Company has adopted initiatives to divert greater amounts of hazardous waste toward co-processing and recycling over other disposal mechanisms, such as incineration and landfilling, as part of the hazardous waste disposal mechanism. Additionally, the Company has embraced digitalisation to reduce paper consumption.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

The Company has one of its manufacturing locations located in an ecologically sensitive area.

| Sr. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---------|--------------------------------|--------------------|---|
| 1.      | Maduranthakam (MKM)            | Manufacturing      | The facility has the "consent to operate" from the concerned Pollution Control Board.   |

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

| Name and brief details of project  | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public Domain (Yes / No) | Relevant Web link |
|--|----------------------|------|---|--|-------------------|
| The Company has not undertaken any Environmental Impact Assessments in the reporting year. |                      |      |   |  |                   |

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances:

Yes.

| Sr. No.        | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|----------------|---|---------------------------------------|---|---------------------------------|
| Not Applicable |   |                                       |   |                                 |

## Leadership Indicators

### 1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Dadra, Mohali, Silvassa, Toansa, Gurugram
- (ii) Nature of operations: Manufacturing, R&D center
- (iii) Water withdrawal, consumption and discharge:

| Parameter  | FY 2023-24  | FY 2022-23  |
|--|---|---|
| <b>Water withdrawal by source (in kilolitres)</b>  |   |   |
| (i) Surface water  | 7,200   | 7,200   |
| (ii) Groundwater   | 355,317   | 447,394   |
| (iii) Third party water  | 53,930  | 53,998  |
| (iv) Seawater / desalinated water  | 0   | 0   |
| (v) Others   | 0   | 0   |
| <b>Total volume of water withdrawal (in kilolitres)</b>  | <b>416,447</b>  | <b>508,592</b>  |
| <b>Total volume of water consumption (in kilolitres)</b>   | <b>409,785</b>  | <b>502,284</b>  |
| Water intensity per rupee of turnover<br>(Total Water consumed in kilolitres / Revenue from operations in ₹ Million) | 2.02  | 2.41  |
| <b>Water discharge by destination and level of treatment (in kilolitres)</b>   |   |   |
| (i) Into Surface water   |   |   |
| - No treatment   | 0   | 0   |
| - With treatment – please specify level of treatment   | 0   | 0   |
| (ii) Into Groundwater  |   |   |
| - No treatment   | 0   | 0   |
| - With treatment – please specify level of treatment   | 0   | 0   |
| (iii) Into Seawater  |   |   |
| - No treatment   | 0   | 0   |
| - With treatment – please specify level of treatment   | 0   | 0   |
| (iv) Sent to third-parties   |   |   |
| - No treatment   | 0   | 0   |
| - With treatment – please specify level of treatment<br>Tertiary Treatment   | Tertiary treatment<br>(In house ETP<br>treatment, post<br>which sent to<br>the Municipality<br>sewage drain)-<br>6,662 kL | Tertiary treatment<br>(Inhouse ETP<br>treatment, post<br>which sent to<br>the Municipality<br>sewage drain) -<br>6,308 kL |
| (v) Others   |   |   |
| - No treatment   | 0   | 0   |
| - With treatment – please specify level of treatment   | 0   | 0   |
| <b>Total water discharged (in kilolitres)</b>  | <b>6,662</b>  | <b>6,308</b>  |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes- DNV Business Assurance India Private Limited

2. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The manufacturing facility, Maduranthakam (MKM) is located 3.72 km (West) from the Vedanthangal Bird Sanctuary. The facility was functional even before the declaration of Vedanthangal Bird Sanctuary in 1998. The facility has no significant direct or indirect impact on the environment. Additionally, the Consent to Operate by the relevant Pollution Control Board has also been obtained. It is a Zero Liquid Discharge (ZLD) site, equipped with an effluent treatment facility to further direct the treated wastewater for in-house uses.

3. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:

| Sr. No | Initiative undertaken  | Details of the initiative (Web-link, if any, may be provided along-with summary)  | Outcome of the initiative  |
|--------|------------------------|---|--|
| 1.     | Biomass use at Boilers | Biomass boiler has been installed to reduce GHG emission. Coal has been replaced by Biomass briquettes as primary fuel.   | Reduction in GHG emissions   |
| 2.     | Heat Pump              | Heat pump is being used to utilise heat of condensation to produce hot water. After installing heat pump, steam consumption has reduced in hot water system along with reducing water consumption in the cooling tower. | 1. Reduction in GHG emissions<br>2. Reduction in Water consumption<br>3. Reducing energy consumption |

4. Does the entity have a business continuity and disaster management plan?

The Company has implemented a comprehensive business continuity and on-site emergency plan across all its locations. This plan ensures the Company's ability to adapt and respond effectively to disruptions caused by natural disasters or unforeseen events that may impact business operations. Continuous improvement is emphasised through the integration of lessons learned from past disruptions, if any, into the existing plans. Additionally, the Company's risk management strategy focuses on minimising losses associated with disasters by assessing potential disruptions and implementing appropriate mitigation measures.

5. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The Company's Supplier Code of Conduct is developed based on the best practices, standards and guidelines for evaluation of suppliers in the pharmaceutical supply chain. The evaluation checklist encompasses various ESG parameters to ascertain the adherence with the Company's Supplier Code of Conduct. Assessment of value chain partners on the basis of the Company's Supplier Code of Conduct has been initiated for select vendors and will be extended to all critical vendors in due course.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**
**1. a. Number of affiliations with trade and industry chambers/ associations.**

The Company is a member of 8 trade and industry chambers/associations.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

| Sr. No. | Name of the trade and industry chambers/ associations              | Reach of trade and industry chambers/ associations (State/National) |
|---------|--|---|
| 1.      | The Associated Chambers of Commerce of India (ASSOCHAM)            | National  |
| 2.      | The Federation of Indian Chambers of Commerce and Industry (FICCI) | National  |
| 3.      | Confederation of Indian Industry (CII)                             | National  |
| 4.      | Indian Drug Manufacturing Association (IDMA)                       | National  |
| 5.      | Federation of Gujarat Industries (FGI)                             | State   |
| 6.      | India CEO Forum on Climate Change                                  | National  |
| 7.      | Indian Pharmaceutical Alliance (IPA)                               | National  |
| 8.      | Gujarat Employers Organisation (GEO)                               | State   |

**2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

For the reporting year, there were no adverse orders from regulatory authorities against the Company for issues pertaining to anticompetitive conduct.

**Leadership Indicators**
**1. Details of public policy positions advocated by the entity:**

| Sr. No. | Public policy advocated   | Method resorted for such advocacy | Whether information available in the public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify) | Web Link, if available |
|---------|---|-----------------------------------|--|---|------------------------|
| 1.      | Regulatory Reforms for Pharma sector in India                   | FICCI publication                 | No   | -   | -                      |
| 2.      | Regulatory reforms to improve drug development process in India | Indian Pharmaceutical Alliance    | No   | -   | -                      |
| 3.      | Trade Margin Rationalisation                                    | Indian Pharmaceutical Alliance    | No   | -   | -                      |



**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**
**Essential Indicators**

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

In the reporting year, the Company did not undertake any Social Impact Assessments of projects.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

The Company engages with and redresses the grievances of all community members through its NGO partners and through in-person meetings. Mobile healthcare units visit the peripheral areas of the Company's operations in order to engage with local community. Each of the mobile health care units carries a register, which is accessible to all the community members to address grievances and queries through written complaints. The grievances received through the register are addressed by the Company. All community issues are adequately monitored and resolved on time.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| Particulars                                | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Directly sourced from MSME/small producers | 13.61%     | 14.17%     |
| Directly from within India                 | 82.57%     | 73.33%     |

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

| Location     | FY 2023-24 | FY 2022-23 |
|--------------|------------|------------|
| Rural        | 3.04%      | 3.06%      |
| Semi-urban   | 2.84%      | 2.63%      |
| Urban        | 27.39%     | 27.97%     |
| Metropolitan | 66.78%     | 66.34%     |

**Leadership Indicators**

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not Applicable

2. **Provide the following information on Corporate Social Responsibility (CSR) projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| Sr. No.  | Aspirational District | State | Amount Spent in INR |
|--|-----------------------|-------|---------------------|
| For the reporting year, the Company did not undertake any CSR projects in the designated aspirational districts. |                       |       |                     |

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)**

No, the Company does not have any preferential procurement policy focusing on suppliers from marginalised/vulnerable groups.

**(b) From which marginalised /vulnerable groups do you procure?**

Not Applicable

**(c) What percentage of total procurement (by value) does it constitute?**

Not Applicable

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

The Company does not derive any benefits from intellectual properties owned or acquired based on traditional knowledge.

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not Applicable

**6. Details of beneficiaries of CSR Projects:**

| S. No. | CSR Project   | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalised group |
|--------|---|---|---|
| 1      | Support towards setting-up of Cancer Sanatorium Institute, Wadala, Mumbai                         | Community                                   | NA  |
| 2      | Elimination of Malnutrition through Action-Research on Moderately and Acute Malnourished Children | Community                                   | NA  |
| 3      | Mobile Healthcare Unit  | 181,392                                     | 100.00%   |
| 4      | Healthcare Infrastructure and Awareness Creation  | Community                                   | 100.00%   |
| 5      | Medicines for Health Activities   | Community                                   | 100.00%   |
| 6      | Anganwadi Development Programme   | 2,394                                       | 100.00%   |
| 7      | School Development Programme  | 17,207                                      | 100.00%   |
| 8      | Promotion of Scientific Medical & Pharma Research Outcomes for Public Health Improvement          | Community                                   | NA  |
| 9      | SMART Classroom Development Programme   | 10,307                                      | 100.00%   |
| 10     | Solar Street Lighting Programme   | Community                                   | 100.00%   |
| 11     | Rural Infrastructure Development Projects   | Community                                   | 100.00%   |
| 12     | Tree Plantation   | Community                                   | NA  |
| 13     | Community Drinking Water  | Community                                   | 100.00%   |
| 14     | Disaster Response   | 1,000                                       | 100.00%   |
| 15     | Water Conservation  | Community                                   | NA  |

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**
**Essential Indicators**
**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company has a comprehensive complaint management process to facilitate timely redressal of the product quality complaints. Once a product quality complaint is received, either directly by the Company or through a third-party entity (appointed to handle product complaints), and registered in the Company's system, it is acknowledged, and a preliminary assessment is undertaken. In certain markets, based on local requirements, a Field Alert Report (FAR) may be filed for the complaint depending on its nature and severity. Along with the initial evaluation, a follow-up is initiated for requesting the complaint sample and any additional information to facilitate the preliminary assessment and the investigation. The initial risk assessment and the investigative process proceeds concurrently with the follow-up. A remedial action plan is launched after the investigation is completed and the root cause is determined. A complaint summary report is also prepared at the same time. The complaint is finally closed after a final risk assessment is completed and a response is delivered to the complainant. Any market actions for the impacted product are considered and may be communicated with the local regulatory authorities depending on local requirements. The Company has a global Pharmacovigilance Policy and mechanism in place, which is supported by a product safety group, committed to responding to patient safety concerns and incidents.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

| Particulars   | As a percentage of total turnover |
|---|-----------------------------------|
| Environmental and social parameters relevant to the product | -                                 |
| Safe and responsible usage                                  | 100.00%                           |
| Recycling and /or safe disposal                             | -                                 |

Note: The Company's products carry information about its responsible and safe usage. Due to the criticality associated with the safe and responsible consumption of medicines, the Company displays relevant information on the product labels as per the requirements of national and international drug regulatory bodies.

**3. Number of consumer complaints in respect of the following:**

| Particulars                    | FY 2023-24               |   |         | FY 2022-23               |   |         |
|--------------------------------|--------------------------|---|---------|--------------------------|---|---------|
|                                | Received during the year | Pending resolution at the end of the year | Remarks | Received during the year | Pending resolution at the end of the year | Remarks |
| Data Privacy                   | 0                        | 0   | -       | 0                        | 0   | -       |
| Advertising                    | 0                        | 0   | -       | 0                        | 0   | -       |
| Cybersecurity                  | 0                        | 0   | -       | 0                        | 0   | -       |
| Delivery of essential services | 0                        | 0   | -       | 0                        | 0   | -       |
| Restrictive trade Practices    | 0                        | 0   | -       | 0                        | 0   | -       |
| Unfair Trade Practices         | 0                        | 0   | -       | 0                        | 0   | -       |
| Other                          | -                        | -   | -       | -                        | -   | -       |

**4. Details of instances of product recalls on account of safety issues:**

| Particulars       | Number | Reason for recall   |
|-------------------|--------|---|
| Voluntary recalls | 31     | The reasons for recall of products were product quality complaint, deviation and out of specification /out of trend results for various test. |
| Forced recalls    | 1      | As recommended by a regulatory agency due to incorrect strength on product pack.  |

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy**

The Company has put into place a risk management policy that includes a framework for identifying internal and external risks related to cybersecurity or information hazards. The synopsis of the policy can be accessed at :

<https://sunpharma.com/wp-content/uploads/2024/05/2024-05-21-Risk-Management-Policy-Synopsis.pdf>

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

In FY 2023-24, there were no complaints filed related to advertising, provision of critical services, cyber security, consumer data privacy. The Company has implemented corrective & preventive actions for quality complaints and product recalls concerning the quality of its products in accordance with each established root cause analysis.

The May 2022 USFDA inspection of Halol facility was classified as Official Action Indicated (OAI). The Halol facility was placed under import alert in December 2022 with certain products exempted from import alert. The Company is taking all corrective measures necessary to address the observations; and is in communication with the USFDA regarding the same.

The August 2022 USFDA inspection of Mohali facility was classified as Official Action Indicated (OAI). Subsequently, in April 2023, USFDA issued a Consent Decree Correspondence/Non-Compliance letter to the Mohali facility in which USFDA directed the Company to take certain corrective actions at the Mohali facility, and certain actions before releasing finished drug product batches into the United States. These actions include, but are not limited to, retaining an independent cGMP expert to conduct batch certifications of drug products manufactured at the Mohali facility for shipment to the U.S. market.

In December 2023, USFDA inspected Sun Pharma's Dadra facility and has subsequently determined the inspection classification status of this facility as Official Action Indicated (OAI). The Company is in communication with USFDA to resolve the inspectional observations that resulted in OAI status.

**7. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches – Zero
- b. Percentage of data breaches involving personally identifiable information of customers – Not Applicable
- c. Impact, if any, of the data breaches – Not Applicable

**Leadership Indicators**

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The links to the product list for India and US market are given below:

India Products: <https://sunpharma.com/india-products/>

US Products: <https://sunpharma.com/usa/products/>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Company complies with pertinent regulatory obligations by informing its stakeholders about the appropriate and safe use of its products. Each product packaging/label includes information on safe and responsible usage of the product.

Some of our products now have QR codes and 3D security strips printed on the pack to validate authenticity and educate patients. After scanning the QR codes, patients will be taken to a website where they can view the batch details, patient education videos, and have access to FAQs.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

As per the regulatory guidelines, the Company discloses discontinuation of any scheduled formulation in India, by issuing a public notice for relevant stakeholders in addition to informing the local regulator at least six months prior to the intended date of discontinuation. However, if six months' advance notice is not possible, the notification is submitted as soon as practicable thereafter. Furthermore, in certain international markets, based on local regulatory requirements, a notification concerning a permanent discontinuance or interruption in manufacturing of a covered finished product must be submitted no later than five business days after the discontinuance or interruption in manufacturing occurs.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

The Company displays all relevant information mandated as per local laws regarding its products. As a pharmaceutical company, we cannot directly conduct product related surveys with the general public.



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## INDEPENDENT ASSURANCE STATEMENT

### Introduction

DNV Business Assurance India Private Limited ('DNV'), has been commissioned by Sun Pharmaceutical Industries Limited (Corporate Identity Number L24230GJ1993PLC019050, hereafter referred to as 'SPIL' or 'the Company') to undertake an independent assurance of the Company's 9 core attribute disclosures (as per Annex I of SEBI circular dated 12 July 2023) in Business Responsibility and Sustainability Report (hereafter referred to as 'BRSR').

### Reporting standard/framework

The disclosures have been prepared by SPIL in reference to:

- BRSR Core - Framework for assurance and ESG disclosures for value chain as per SEBI (Securities and Exchange Board of India) Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023.
- BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023.
- Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard*.

### Assurance Methodology/Standard

This assurance engagement has been carried out 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 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*; ISO 14046 - *Environmental management - Water footprint - Principles, requirements, and guidelines to evaluate indicators wrt. Greenhouse gases and water disclosures*.

### Intended User

The intended user of this assurance statement is the Management of Sun Pharmaceutical Industries Limited.

### Level of Assurance

Reasonable Level of assurance for BRSR 9 Core Attributes (Ref: Annexure I of SEBI circular).

### Responsibilities of the Management of SPIL and of the Assurance Provider

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

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.

### Scope, Boundary and Limitations

#### Scope

The scope of our engagement includes independent reasonable level of assurance of '9 Core attributes of BRSR' (Ref: Annexure I of SEBI Circular) for Financial Year (FY) 2023-24 as listed below-

- Section C: Principle 1- Essential Indicator 8, 9
- Section C: Principle 3- Essential Indicator 1-c, 11
- Section C: Principle 5- Essential Indicator 3-b, 7
- Section C: Principle 6- Essential Indicator 1, 3, 4, 7, 9
- Section C: Principle 8- Essential Indicator 4, 5
- Section C: Principle 9- Essential Indicator 7

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**Boundary of our assurance work:**

Based on the agreed scope with the Company, the boundary covers the performance of SPIL operations across globe that fall under the direct operational control of the Company's Legal structure. The boundary for GHG footprint, water footprint, energy footprint and waste management related disclosures include 18 sites, covering the Company's manufacturing locations and R&D centers.

**Limitation(s):**

We performed a reasonable level of assurance for the BRSR Core reporting based on our assurance methodology DNV's VeriSustain™ protocol (v6.0).

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 evaluation or assessment of any financial data/performance of the company. DNV opinion on specific BRSR Core indicators (Refer- for total revenue from operations; Principle 3, Question 1(c) of Essential Indicators for Spending on measures towards well-being of employees and workers - cost incurred as a % of total revenue of the company; Principle 8, Question 4 of Essential Indicators, Principle 1, Question 8 of Essential Indicators and Principle 1, Question 9 of Essential Indicators) relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.
- The assurance engagement is based on the assumption that the data and information provided by the Company are complete, sufficient and authentic.

**Assurance process**

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

1. Reviewed the disclosures under BRSR Core, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes. The format of BRSR Core used as basis of reasonable level of assurance
2. Evaluation of the design and implementation of key systems, processes, and controls for collecting, managing and reporting the BRSR Core indicators
3. Assessment of operational control and reporting boundaries
4. Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with stakeholders to gather insights and corroborative evidence for each disclosed indicator.
5. Interviews with selected 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 indicators.
6. DNV audit team conducted on-site audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the percentage contribution each site makes to the reported indicator, complexity of operations at each location (high/medium/low) and reporting system within the organization. Sites selected for audits are listed in Annexure-I.
7. Conduct a comprehensive examination of key material aspects within the BRSR Core framework supporting adherence to the assurance based on applicable principles plus specified data and information.
8. DNV teams conducted the:
  - Verification of the data consolidation of reported performance disclosures in context to the Principle of Completeness.
  - Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per DNV's VeriSustain™ protocol (v6.0) for reasonable level verification for the disclosures.



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Conclusion

#### Reasonable level of Assurance- 9 Core Attributes of BRSR

Based on our review and procedures followed for reasonable level of assurance, DNV is of the opinion that, in all material aspects, the 9 Core Attributes of BRSR (as listed in section 'Scope' of this statement) for FY 2023-24 are reported in accordance with reporting requirements outlined in BRSR Core (Annexure I of SEBI Circular dated 12 July 2023).

#### Statement of 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 are 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.

We have complied with the DNV Code of Conduct<sup>1</sup> during the assurance engagement and maintain independence wherever 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 2023-24, 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 for internal use of Sun Pharmaceutical Industries Limited. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. To the best of our knowledge, we did not provide any services to Sun Pharmaceutical Industries Limited in the scope of assurance for the reporting period that could compromise the independence or impartiality of our work.

#### Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the exclusive use and benefit of management of the Company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than the Company for DNV's work or this assurance statement. The usage of this assurance statement shall be governed by the terms and conditions of the contract between DNV and SPIL and DNV does not accept any liability if this assurance statement is used for an alternative purpose from which it is intended, nor to any third party in respect of this assurance statement. No part of this assurance statement shall be reproduced, distributed or communicated to a third party without prior written consent.

For DNV Business Assurance India Private Limited

|   |   |
|---|---|
| <p><b>Parab, Ankita</b></p> <p>Digitally signed by Parab, Ankita<br/>Date: 2024.06.27 15:44:56 +05'30'</p>                        | <p><b>Kakaraparthi, Venkata Raman</b></p> <p>Digitally signed by Kakaraparthi, Venkata Raman<br/>Date: 2024.06.27 16:32:14 +05'30'</p>          |
| <p>Ankita Parab<br/>Lead Verifier,<br/>Sustainability Services,<br/>DNV Business Assurance India Private Limited, India.</p>      | <p>Kakaraparthi Venkata Raman<br/>Assurance Reviewer,<br/>Sustainability Services,<br/>DNV Business Assurance India Private Limited, India.</p> |
| <p>Assurance Team:<br/>Anjana Sharma, Goutam Banik, Varsha Bohiya, Suraiya Rahman, Syed Rameez<br/>27/06/2024, Mumbai, India.</p> |   |

DNV Business Assurance India Private Limited is part of DNV - Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnv.com](http://www.dnv.com)

<sup>1</sup> DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>

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## Annexure I

### Sites selected for audits

| Sr. no. | Site                          | Location  |
|---------|-------------------------------|---|
| 1.      | Corporate office              | Mumbai, Maharashtra   |
| 2.      | Manufacturing plants- on-site | Dewas, Madhya Pradesh- API plant<br>Dewas, Madhya Pradesh- Formulation plant<br>Toansa, Punjab- API plant<br>Mohali, Punjab- Formulation plant<br>Maduranthakam, Chennai- API plant |
| 3.      | Manufacturing plants- remote  | Halol, Gujarat- Formulation plant<br>Panoli, Gujarat- API plant<br>Vadodara, Gujarat- R&D facility  |



## SUN PHARMACEUTICAL INDUSTRIES LIMITED

### **Clarification Note to Business Responsibility and Sustainability Report (BRSR) 2023-24**

Financial numbers in our annual report and financial accounts are in INR million while the XBRL requires financial numbers to be in INR and not in INR million. Hence, for XBRL we have calculated the numbers in INR by multiplying the numbers in INR million with 1,000,000.

In the XBRL file there are certain fields which are Not Applicable and certain fields where it does not allow to enter text or provide remarks, hence for such points we have mentioned 0 in the XBRL and we are providing our responses as per our Business Responsibility and Sustainability Report (forming a part of our Annual Report 2023-24), in the following clarification notes:

#### **1. Point 19 (a) Section A- General Disclosure:**

##### **Markets served by the entity:**

| <b>Locations</b>         | <b>Number</b>   |
|--------------------------|---|
| National (No. of States) | Pan-India   |
| International            | Approximately 100 countries served across the six continents - Asia, North America, Europe, Africa, South America and Australia |

#### **2. Principle 1- Essential Indicator 9:**

##### **Openness of business: Details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties:**

In the BRSR, for FY 2023-24 and FY 2022-23, Related Party Transaction (RPT) data has been bifurcated into transactions done with a) Subsidiaries and b) Others. The bifurcated data is shown in the table below:

| <b>Parameter</b>                               | <b>Metrics</b>  | <b>FY 2023-24</b>   |               | <b>FY 2022-23</b>   |               |
|--|---|---------------------|---------------|---------------------|---------------|
|  |   | <b>Subsidiaries</b> | <b>Others</b> | <b>Subsidiaries</b> | <b>Others</b> |
| Share of Related Party Transactions (RPTs) in: | Purchases (Purchases with related parties/Total Purchases)                          | 14.79%              | 0.03%         | 10.41%              | 0.01%         |
|  | Sales (Sales to related parties/Total Sales)  | 82.51%              | 0.15%         | 84.00%              | 0.03%         |
|  | Loans & advances (Loans & advances given to related parties/Total loans & advances) | 99.67%              | -             | 99.73%              | -             |
|  | Investments (Investments in related parties/Total Investments made)                 | 99.75%              | 0.20%         | 98.30%              | -             |

### 3. Principle 3- Essential Indicator 1 (a)

#### Details of measures for the well-being of employees:

In line with NSE Circular NSE/CML/2024/11, we have reported coverage of maternity and paternity benefits for employees in female and male categories respectively. Hence, we are reporting 100% coverage as given in the table below, as all female employees are eligible for maternity benefits and all male employees are eligible for paternity benefits.

| Category                              | Total (A)    | % of employees covered by |            |                    |            |                    |            |                    |            |                     |            |
|---------------------------------------|--------------|---------------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
|                                       |              | Health insurance          |            | Accident insurance |            | Maternity benefits |            | Paternity benefits |            | Day Care facilities |            |
|                                       |              | Number (B)                | % (B/A)    | Number (C)         | % (C/A)    | Number (D)         | % (D/A)    | Number (E)         | % (E/A)    | Number (F)          | % (F/A)    |
| <b>Permanent employees</b>            |              |                           |            |                    |            |                    |            |                    |            |                     |            |
| Male                                  | 13327        | 13327                     | 100        | 13327              | 100        | -                  | -          | 13327              | 100        | 13327               | 100        |
| Female                                | 1433         | 1433                      | 100        | 1433               | 100        | 1433               | 100        | -                  | -          | 1433                | 100        |
| <b>Total</b>                          | <b>14760</b> | <b>14760</b>              | <b>100</b> | <b>14760</b>       | <b>100</b> | <b>1433</b>        | <b>100</b> | <b>13327</b>       | <b>100</b> | <b>14760</b>        | <b>100</b> |
| <b>Other than Permanent employees</b> |              |                           |            |                    |            |                    |            |                    |            |                     |            |
| Male                                  | 779          | 779                       | 100        | 779                | 100        | -                  | -          | 779                | 100        | 779                 | 100        |
| Female                                | 460          | 460                       | 100        | 460                | 100        | 460                | 100        | -                  | -          | 460                 | 100        |
| <b>Total</b>                          | <b>1239</b>  | <b>1239</b>               | <b>100</b> | <b>1239</b>        | <b>100</b> | <b>460</b>         | <b>100</b> | <b>779</b>         | <b>100</b> | <b>1239</b>         | <b>100</b> |

### 4. Principle 3- Essential Indicator 1 (b)

#### Details of measures for wellbeing of workers

In line with NSE Circular NSE/CML/2024/11, we have reported coverage of maternity and paternity benefits for workers in female and male categories respectively. Hence, we are reporting 100% coverage as given in the table below, as all female workers are eligible for maternity benefits and all male workers are eligible for paternity benefits.

| Category                            | Total (A)   | % of workers covered by |            |                    |            |                    |            |                    |            |                     |            |
|-------------------------------------|-------------|-------------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
|                                     |             | Health insurance        |            | Accident insurance |            | Maternity benefits |            | Paternity Benefits |            | Day Care facilities |            |
|                                     |             | Number (B)              | % (B/A)    | Number (C)         | % (C/A)    | Number (D)         | % (D/A)    | Number (E)         | % (E/A)    | Number (F)          | % (F/A)    |
| <b>Permanent workers</b>            |             |                         |            |                    |            |                    |            |                    |            |                     |            |
| Male                                | 4578        | 4578                    | 100        | 4578               | 100        | -                  | -          | 4578               | 100        | 4578                | 100        |
| Female                              | 192         | 192                     | 100        | 192                | 100        | 192                | 100        | -                  | -          | 192                 | 100        |
| <b>Total</b>                        | <b>4770</b> | <b>4770</b>             | <b>100</b> | <b>4770</b>        | <b>100</b> | <b>192</b>         | <b>100</b> | <b>4578</b>        | <b>100</b> | <b>4770</b>         | <b>100</b> |
| <b>Other than Permanent workers</b> |             |                         |            |                    |            |                    |            |                    |            |                     |            |
| Male                                | 4542        | 4542                    | 100        | 4542               | 100        | -                  | -          | 4542               | 100        | 4542                | 100        |
| Female                              | 583         | 583                     | 100        | 583                | 100        | 583                | 100        | -                  | -          | 583                 | 100        |
| <b>Total</b>                        | <b>5125</b> | <b>5125</b>             | <b>100</b> | <b>5125</b>        | <b>100</b> | <b>583</b>         | <b>100</b> | <b>4542</b>        | <b>100</b> | <b>5125</b>         | <b>100</b> |

**5. Principle 3- Essential Indicator 14**

**Assessments for the year:**

| <b>Particulars</b>          | <b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>  |
|-----------------------------|---|
| Health and Safety Practices | 100% of the locations are audited internally by the entity. Internal experts conduct the audits in order to ensure compliance with safety rules and the identification of important improvement areas. 68.42% of locations have been assessed on health and safety practices by third party auditors, as per requirements of the ISO 45001:2018 standards). |
| Working Conditions          | 100% (All the sites are assessed on their working conditions by the internal and external audits)   |

**6. Principle 6- Leadership Indicator 1**

**Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):**

| <b>(iv) Sent to third parties</b>                  | <b>FY 2023-24</b>   | <b>FY 2022-23</b>   |
|--|---|---|
| With treatment – please specify level of treatment | Tertiary treatment (In house ETP treatment, post which sent to the Municipality sewage drain)- 6,662 kL | Tertiary treatment (Inhouse ETP treatment, post which sent to the Municipality sewage drain) - 6,308 kL |

## 7. Principle 8- Leadership Indicator 6

### Details of beneficiaries of CSR Projects:

In the XBRL file, for this question, there are certain fields which are Not Applicable and certain fields where it does not allow to enter text or provide remarks, hence for such points we have mentioned 0 in the XBRL and we are providing our responses as per table below. This table is also included in our Business Responsibility and Sustainability Report forming a part of our Annual Report 2023-24.

| Sr. No. | CSR Project   | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---------|---|---|--|
| 1.      | Support towards setting-up of Cancer Sanatorium Institute, Wadala, Mumbai                         | Community                                   | NA   |
| 2.      | Elimination of Malnutrition through Action-Research on Moderately and Acute Malnourished Children | Community                                   | NA   |
| 3.      | Mobile Healthcare Unit  | 181392                                      | 100.00%  |
| 4.      | Healthcare Infrastructure and Awareness Creation  | Community                                   | 100.00%  |
| 5.      | Medicines for Health Activities   | Community                                   | 100.00%  |
| 6.      | Anganwadi Development Programme   | 2394  | 100.00%  |
| 7.      | School Development Programme  | 17207                                       | 100.00%  |
| 8.      | Promotion of Scientific Medical & Pharma Research Outcomes for Public Health Improvement          | Community                                   | NA   |
| 9.      | SMART Classroom Development Programme   | 10307                                       | 100.00%  |
| 10.     | Solar Street Lighting Programme   | Community                                   | 100.00%  |
| 11.     | Rural Infrastructure Development Projects   | Community                                   | 100.00%  |
| 12.     | Tree Plantation   | Community                                   | NA   |
| 13.     | Community Drinking Water  | Community                                   | 100.00%  |
| 14.     | Disaster Response   | 1000  | 100.00%  |
| 15.     | Water Conservation  | Community                                   | NA   |