

Business Responsibility Report – FY21

Message from the Director's Desk

We are living in times where unpredictability is the new normal. From disruptive virus strains to political uncertainties, extreme climate conditions to fast technological changes, the future seems unforeseeable.

What we can see very clearly though is the importance of health - human, economic as well as environmental health. Sustainability of every resource will be the key to survive and thrive in the midst of volatility.

While in the middle of the second wave of the Covid-19 pandemic, the healthcare industry including the pharmaceutical companies and the medical fraternity are trying their best to flatten the curve of rising infection cases, accelerate vaccination and test more innovative drugs and solutions to counter the newer Covid-19 variants.

KEY HIGHLIGHTS

Sun Pharma has focussed on a multi-pronged approach to overcome the challenges of the COVID-19 pandemic which includes (i) Maintaining manufacturing continuity to ensure regular supply of medicines to customers/patients across the world, (ii) Supporting the Government of India in its fight against the pandemic by donating COVID-19 specific medicines, hand sanitisers, masks and PPE Kits, (iii) Focus on safety and well-being of our employees across all our offices, R&D centres and manufacturing units. In addition, our products like Remdesivir, Itolizumab, Favipiravir, Liposomal Amphotericin B, etc. are used in treating COVID-19 and associated ailments.

We also thank all the frontline warriors for their invaluable contribution in the fight against pandemic, our employees for their selfless and tireless efforts to serve the community and ensuring continued production of all medicines during this challenging period.

With healthcare going to remain the lynchpin, pharmaceutical companies would continue to play a key role. As the world's 4th largest speciality generic pharmaceutical company, the onus is to make more and more high-quality medicines affordable and accessible.

Making these twin purposes possible will be innovation and expanding our footprint, coupled with increasing our community outreach and reducing our environment footprint. This holistic outlook would surely lead us to a more sustainable future.

This extends to a triple bottom line approach where we extend the philosophy of enhancing the quality of life by focussing on Employee Wellness, Community Wellness and Environment Wellness.

EMPLOYEE WELLNESS

Our multi-cultural team is our most valuable asset. Diverse cultural perspectives inspire creativity and drive innovation. With a total strength of 37,000+ employees at consolidated level, we invest our energy in engaging, nurturing and motivating them to grow. Our comprehensive Human Resources (HR) Policy covers the whole gamut of employee management, from recruitment to retention.

We continue to invest in their professional growth and to inculcate the value of responsible growth in them. So, they understand that their progress is linked with providing innovative solutions to address patient's needs, community's upliftment and environment's protection. FY21 saw the safety and skill up-gradation training of approximately 92% of our total employees, including 31% of permanent women employees.

COMMUNITY WELLNESS

While making medicines more accessible and affordable is our purpose, we push the envelope further by enhancing our efforts to mainstream the socially marginalised. Healthcare, education, infrastructure & rural development, safe drinking water & sanitation, environment conservation and disaster relief are some of our key priorities enunciated in our comprehensive Corporate Social Responsibility (CSR) Policy.

We continue to undertake various local level community programmes based on the needs of the society, while also contributing to national interests. During the Covid-19 outbreak, we committed monetary, medical and material support to contribute in India's pandemic response. In FY21, we invested ₹269.5 Million for the implementation of CSR projects.

ENVIRONMENT WELLNESS

At Sun Pharma, we are fully committed to achieve excellence in Environment, Health & Safety (EHS) and conduct our activities in the most responsible manner. The importance of EHS is continually stressed and extensively promoted as a part of our corporate culture. A robust EHS policy enunciates our commitment to create a safe and healthy workplace, and a clean environment for employees and the community at large.

The key tenets of our policy include waste management, conservation measures, increasing efficiency, green energy and implementing Clean Development Mechanism (CDM) projects at our facilities thus reducing impact on the environment. As of now, we have 14 facilities equipped with the biomass fuelled boilers, with a total steam generation capacity of 129 TPH. In FY21, we also generated around 36.5 million kWh of clean energy (solar and wind energy).

This Business Responsibility Report (BRR) is a testament of our responsibility towards all our stakeholders. We welcome your valuable insights and feedback to enrich our understanding and enhance our sustainability performance.

Regards,

Kalyanasundaram Subramanian
Whole-time Director

OVERVIEW

Sun Pharmaceutical Industries Limited, including its subsidiaries and associate companies is the fourth largest specialty generic pharmaceutical company in the world with global revenues of about US\$ 4.5 Billion at consolidated

level. Supported by 44 manufacturing facilities globally, we provide high-quality, affordable medicines, trusted by healthcare professionals and patients, to more than 100 countries across the globe.

Being a global pharma leader, we at Sun Pharma strongly believe that business and responsibility are the two sides of the same coin. The real growth is at the intersection of the three bottom lines - economic, environmental and social.

This responsible approach has been the hallmark of our Company since many years, but eight years ago we integrated all these components into one interconnected model based on the National Voluntary Guidelines (NVG). It helped us in focussing our efforts towards all our stakeholders.

This Business Responsibility Report is our demonstration of the triple bottom line approach to business. In accordance with SEBI's proposed index and the nine principles of the Government of India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business', the report enunciates our plans and actions to build our business responsibly.

Section A

General Information About the Company

1	Corporate Identity Number (CIN) of the Company	L24230GJ1993PLC019050
2	Name of the Company	Sun Pharmaceutical Industries Limited
3	Registered address	SPARC, Tandalja, Vadodara - 390 020, Gujarat
4	Website	http://www.sunpharma.com/
5	E-mail id	secretarial@sunpharma.com
6	Financial year reported	01-April-2020 to 31-March-2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	'Pharmaceuticals' is the primary reportable segment.
8	List three key products/services that the Company manufactures / provides (as in balance sheet)	Tildrakizumab, Levulan Kerastick, Cip-Isotretinoin
9	Total number of locations where business activity is undertaken by the Company	As below
	1. Number of international locations (Provide details of major 5)	US, Romania, Japan, Canada, Russia
	2. Number of national locations	Facilities: Halol, Baska, Panoli, Karkhadi, Ankleshwar and Dahej (all in Gujarat), Baddi, Batamandi and Paonta Sahib (all in Himachal Pradesh), Mohali and Toansa (both in Punjab), Malanpur and Dewas (both in Madhya Pradesh), Samba and Jammu (both in J&K), Ahmednagar (Maharashtra), Maduranthakam (Tamil Nadu), Guwahati (Assam), Sikkim, Dadra, Silvassa, Telangana, and Goa R&D Centres: Vadodara (Gujarat), Mumbai (Maharashtra) and Gurugram (Haryana) Registered and Corporate offices: Vadodara (Gujarat) and Mumbai (Maharashtra) respectively Pan-India Distribution Network
10	Markets served by the Company - local / state / national / international	Over 100 markets served across 6 continents - Asia, North America, Europe, Africa, South America and Australia

Section B		Financial Details of the Company
1	Paid-up Capital (₹)	2,399.3 Million
2	Total Turnover (₹)	125,709.3 Million (standalone)
3	Total Profit after Taxes (₹)	21,397.0 Million (standalone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	As per regulatory requirements, the Company was required to spend ₹129.81 Million towards CSR for FY21 on standalone basis. However, we spent ₹269.50 Million on CSR activities for the year on standalone basis
5	List of activities in which the above expenditure has been incurred	Refer Principle 8 - 'Equitable Development'

Section C		Other Details
1	Does the Company have any Subsidiary Company / Companies?	Yes
2	Do the Subsidiary Company / Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	There is no direct participation.
3	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	The Company has not instituted any process to monitor / verify whether any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company.

Section D		BR Information								
1.	a. Details of the Director / Directors responsible for implementation of the BR (Business Responsibility) policy / policies:									
1	# DIN number	00179072								
2	# Name	Kalyanasundaram Subramanian								
3	# Designation	Whole-time Director								
	b. Details of the BR head:									
1	# DIN number (if applicable)	Mr. Kalyanasundaram Subramanian, Whole-time Director of Sun Pharma, oversees the BR implementation. The Company does not have a BR head, as of now.								
2	# Name									
3	# Designation									
4	# Telephone number									
5	# e-mail id									
2.	Principle-wise (as per NVGs) BR policy/policies (Reply in Y/N)									
		P1 P2 P3 P4 P5 P6 P7 P8 P9								
1	Do you have a policy or policies for...	Yes Yes Yes Yes Yes Yes Yes Yes Yes								
2	Has the policy been formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company and are approved by the Board.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	All the policies are compliant with the respective principles of NVG guidelines.								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
4 Has the policy been approved by the Board? If yes, has it been signed by the MD / owner / CEO / appropriate Board Director?	All the policies have been approved by the Board and have been signed by the Managing Director.								
5 Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	The Board has appointed Mr. Kalyanasundaram Subramanian, Whole-time Director - Sun Pharma, to oversee the policy implementation.								
6 Indicate the link for the policy to be viewed online?	Copies will be made available on receipt of written request from shareholders.								
7 Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been formally communicated to internal stakeholders. The external stakeholders will be communicated in due course.								
8 Does the company have in-house structure to implement the policy / policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9 Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10 Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	It will be done in due course.								

3. Governance related to BR

1 Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	Annual
2 Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The BR report for FY21 is a part of the annual report and can also be accessed through the link: https://sunpharma.com/investors-annual-reports-presentations/ It is published annually.

Principle 1

Ethics, Transparency and Accountability

At Sun Pharma, our values of quality, reliability, consistency, innovation and trust are deeply embedded in our corporate culture and governance systems. We have a comprehensive governance framework that builds transparency, accountability, compliance focus and risk management into all our business endeavours. Our Global Code of Conduct (CoC) encapsulates our corporate spirit and standards for business ethics. Our Board of Directors and employees are expected to adhere to the standards set forth in the CoC in letter and spirit. Our Global CoC is accessible at <https://sunpharma.com/policies/>. We have developed numerous corporate policies that anchor ethical, transparent and fair business practices. These policies can be accessed at <https://sunpharma.com/policies/>. The CoC and other corporate policies are periodically updated based on the emerging requirements and stakeholder feedback. In the reporting year, we received two stakeholder complaints, which were resolved satisfactorily.

Our corporate governance philosophy values the following principles:

- High levels of transparency
- Accountability
- Consistent value systems
- Delegation of responsibility across all facets of operations

The below enablers ensure that these principles translate into consistent practice.

Leadership

At Sun Pharma, the leadership, including the Board of Directors, bring to the table, a wealth of experience, international exposure and the spirit of entrepreneurship to strategically develop and implement policies with ethics, accountability and transparency that leads to sustainable growth. Our Directors are at the forefront of driving our commitment to business ethics and sustainable business practices. The Board collectively spearheads compliance and drives action on our strategic objectives. We have a well-defined Delegation of Authority (DoA) that embeds

accountability, transparency and agility across our business activities. We have established a matrix that details the roles and responsibilities for key personnel to drive environmental, social and economic impact. This approach allows for a consultative and participatory approach to decision making. The DoA matrix also supports periodic Board oversight across focus areas such as financial performance, procurement, employee well-being, and community development, among others.

Board Committees

Core areas of governance are overseen by dedicated board committees to streamline the governance process. These committees are:

- a. Audit Committee
- b. Corporate Governance & Ethics Committee
- c. Corporate Social Responsibility (CSR) Committee
- d. Nomination & Remuneration Committee
- e. Risk Management Committee
- f. Stakeholders Relationship Committee

Principle 2

Product Life Cycle Sustainability

We produce a comprehensive, diverse and highly complementary portfolio of generic and specialty medicines, targeting a wide spectrum of chronic and acute treatments. Our product portfolio includes generics, branded generics, speciality products, over the counter (OTC) products, Active Pharmaceutical Ingredients (APIs) and intermediates.

Our vision of 'Reaching People and Touching Lives Globally as A Leading Provider of Valued Medicines' means that we work towards improving the quality of life - which includes affordable access of our products, empowering communities and enriching the environment.

Affordable Access

Good health is impossible without access to pharmaceutical products. Universal health coverage depends on the availability of quality-assured affordable health products. As one of the leading global generic companies, we provide high quality, affordable medicines to patients and doctors in more than 100 countries worldwide.

We offer a wide range of World Health Organisation prequalified (WHO PQ) anti-viral products that are supplied at very affordable cost in multiple countries in Africa, Latin America, CIS, and Asia to fight HIV / AIDS.

Moreover, we also reach out to those in acute necessity by distributing some of our critical life-saving products at no cost. Below are some of our products that have broken the affordability and accessibility barrier:

- Rilutor (Riluzole): Used for treating Amyotrophic Lateral Sclerosis (a life-threatening disease), is distributed free of cost to all patients
- Decitabine: An enabler to oncology therapy, it is sold at a significantly lower price compared to innovator's product

Covid-19 Response

We made donations of COVID-19 specific medicines, hand sanitisers and PPEs in countries across the globe. In India, we donated ₹250 Million of Hydroxychloroquine Sulfate (HCQS), Azithromycin, other related drugs and hand sanitisers. We also donated 2.5 million HCQS tablets in the U.S. for COVID-19 treatment.

In addition, we have launched in India, products like Remdesivir, Itolizumab and Favipiravir, which are used in COVID-19 treatment.

We also significantly increased supplies of Liposomal Amphotericin B which is used in treating COVID-19 related complications.

Empowering Communities

We are united, with one common purpose: to make good health accessible and affordable to local communities and society at large. While we continue working to make our products reach far and wide, we also work more to uplift our nearby communities. By sourcing local labour and material, we empower the people surrounding our plants. This not only boosts the local economy, but also helps us reduce the carbon footprint.

We also invest in upskilling local talent and upgrading local suppliers. Quality of our products is not compromised as we raise the local capabilities to our benchmark standards. Credits are also advanced where necessary to enhance the capacity of the suppliers. Many of our facilities have identified and encouraged various such local vendors.

For more details regarding our community initiatives, please refer Principle 8 of this report.

Our Commitment to Local Sourcing

In our endeavour to enable impact across our business activities, we continue to augment responsible procurement initiatives across our supply chain. At Sun Pharma, we encourage local sourcing to strengthen our supply chain, increase flexibility of operations and reduce costs, among others. We also aim to reduce our environmental footprint associated with the global transportation of requisite materials. Additionally, we aim to encourage local sourcing to strengthen national skill sets through the transfer of knowledge and expertise, creating opportunities for suppliers to implement value-generating initiatives. In FY21, proportion of spending on local suppliers on indirect procurement stood at 95% while the direct procurement and services spending stood at 67% each.

Enriching the Environment

Environment is vital to our sustainability as we are dependent on nature for our resources. Our EHS (Environment, Health and Safety) Policy, provides for the creation of a safe and healthy workplace and a clean environment for employees and the community. The policy is a commitment that we shall manufacture products safely and in an environmentally responsible manner.

Our EHS policy is periodically updated and our performance is consistently reviewed, aiming for the highest international standards in plant design, equipment selection, maintenance and operations. The focus of our efforts is on minimising resource consumption and increasing process efficiency.

For more details regarding our environment initiatives, please refer Principle 6 of this report.

Calculating our environmental performance per product poses unique challenges, owing to a diverse product portfolio and complex production processes. We, therefore, monitor and manage our total annual water and energy performance vis-à-vis our total annual production.

Production:

APIs: 3,928 ton

Formulations: 25,116 million units

Water usage:

2,863,563 KL

Energy Usage:

Electricity (kWh)	490,477,900
Gas (in '000 nm3)	11,935
Furnace Oil (MT)	3,057
HSD (L)	967,200
Briquette (MT)	133,166

Our focused approach to resource conservation

This reporting period, we recycled 628,089.75 KL of water across our manufacturing facilities. It is noteworthy that a large number of our facilities are Zero Liquid Discharge (ZLD). In terms of waste management focused initiatives, we recycled 2,993.61 MT and co-processed 1,693.78 MT of hazardous waste. We also recycled 8,117,975.3 MT and reused 50,099 MT of non-hazardous waste.

Antimicrobial resistance (AMR)

Antimicrobial resistance occurs when microorganisms, such as bacteria, viruses, fungi, and parasites, change in ways that render the medications used to cure the infections they cause, ineffective. As a manufacturer of anti-infectives, we lay a lot of emphasis on the prevention of antimicrobial resistance. It is achieved by means of a sound technical design, operating procedures, training to employees and regular monitoring.

The plant design and operating philosophy ensures that, neither the person in plant nor the environment around the facility is impacted due to the plant operations. We also run communication / awareness programmes for doctors in India which highlight the menace of AMR. The facilities manufacturing the antibiotics are qualified as Zero Liquid Discharge (ZLD) facilities implying that no liquid is discharged into the environment from these facilities.

For handling the product within the facility, we use latest technologies like integrated manufacturing systems / close loop transfer system / dust control system with scrubbers and HEPA terminal filters on the equipment exhausts / vents which prevent release of any dust either in the workplace or in the surrounding area.

The persons working in the plant make use of required personal protective equipment as a means of safeguarding against any accidental exposure. The process effluent from operations is treated by means of specialised chemicals and bacteria that disintegrate the residual antibiotic product, which is further passed through double Reverse Osmosis process thereby ensuring absence of product in the treated effluent water.

The treated water is reused & recycled within the plant as per Zero Liquid Discharge (ZLD) norm prescribed in the environmental license by local Government authority. Any antibacterial residue and/or hazardous wastes are sent to Government authorised incineration site for disposal.

Principle 3

Employee Well-being

Employees are the most valuable assets of an organisation. They determine its success or failure. Our 37,000+ strong multi-cultural global workforce has ensured that all our businesses do well. Culturally they come from diverse backgrounds, but they are united with our common purpose and values.

We nurture them by ensuring safe working conditions, providing advanced learning options and furthering career growth opportunities. Active engagement with employees across hierarchies enables camaraderie and feedback. Our evolving HR policies focus on 360° development of our employees and cover all requisites, right from recruitment to retention.

The key tenets of the policy are:

Employee Engagement

A more engaged employee is more motivated to reach higher targets, meet customers' demands, develop innovative products and perform better to achieve the company's objectives. We ensure continuous engagement by active communication to understand employees' concerns and consistent mechanisms to address them.

Several two-way communication platforms are in place for employees to express themselves, know more about the organisation as well as raise queries. Employee feedback is promptly solicited and utilised to form policies that increases retention and improves productivity.

Continuous Learning

The ever-evolving world, unpredictable disruptions and the type of industry we are in requires that our employees continuously upgrade themselves on futuristic research, latest technologies and contemporary know-how to retain the competitive edge. At Sun Pharma, our employees are provided with opportunities to enhance their management, technical and soft skills through continuous training and development programmes. This may include putting them through in-house competency development mechanism or external training. Our training and development activities span across six key thematic areas:

- Culture building
- Leadership development
- Digitisation
- Data and documentation management
- Technical skill development
- Soft skill development.

Equal Opportunity

At Sun Pharma, merit is the only prerequisite to growth. We celebrate diversity and discourage bias, discrimination and

harassment. We have a multi-cultural workforce, which is an advantage with varied skill set and experience. Diversity is nurtured by encouraging a fine amalgam of talent from different age groups, genders, cultural backgrounds etc. As of March 31, 2021, we had a total consolidated staff strength of over 37,000 people including permanent, temporary, and contractual employees. In India, we had 28,007 employees, of which 1,455 were permanent women employees and 17 were permanent employees with disabilities.

Freedom of Association

We have always encouraged employees to communicate, whether individually or by forming an association. A union of employees that pursue the interests of its members, keeping in mind the overall business environment, is given its due importance.

At present, there is a management-recognised employee association, which covers approximately 4% of our employee membership.

Health and Safety

Health and safety of our employees is of paramount importance. Wellness of our workforce is ensured by our robust Environment, Health and Safety (EHS) policy and operating guidelines. We conduct our operations in the most responsible manner and cultivate a safety culture across the organisation. EHS performance is periodically reviewed at facility, regional and corporate levels to monitor the progress against EHS improvement plans.

We have established ISO 14001:2015 compliant Environmental Management System and ISO 45001:2018 (OHSMS) compliant Occupational Health and Safety Management System at our key manufacturing facilities.

To counter the COVID-19 pandemic, we quickly adopted safe operating protocols in all our Plants, R&D centers and offices across the world.

We continue to devote our resources in imparting safety training, designed in such a way that each employee is aware of all the do's and don'ts of operational safety, right from prevention to emergency management. The reporting year saw the safety and skill up-gradation training of approximately 92% of our total employees, including 31% of permanent women employees.

We encourage reporting of incidents, including injuries and near misses, which enables us to be better prepared for the future. Safe work practices are endorsed and converted into SOPs/LEPs, while unsafe practices are identified and discontinued.

Key ingredients of our occupational health and safety approach:

- EHS Management System
- EHS Culture Building
- Safety Risk Management
- Emergency Preparedness
- Safety Inspections & Audits
- Use of Personal Protective Equipment (PPE)
- EHS Promotional initiatives

Recognition & Recreation

Recognition motivates employees to put in their best efforts and recreation recharges the employees. Both these activities increase productivity of the employees and the efficiency of the organisation. A merit-based module for rewarding talent has been designed and various means for recreation are planned.

Exceptional performance by employees is recognised promptly through various recognition schemes. Regional and functional awards enable the acknowledgement of employees' involvement and inputs towards the realisation of goals.

Some of the other mechanisms include:

- Special celebration to accord due recognition to the retiring employee
- Long-service award to recognise the loyalty and commitment of employees
- Family picnics to foster camaraderie

Covid-19 Response

Our resilient employees have done a remarkable job of ensuring business continuity despite the multiple disruptions resulting from the COVID-19 pandemic and lockdowns. All our teams, including Manufacturing, Supply Chain, HR, IT, Finance, etc. have worked tirelessly to ensure overall productivity and adequate supply of our products.

Principle 4

Stakeholder Engagement

Over the years, we have focused on building strong and meaningful relationships with a diverse range of stakeholders. We believe that stakeholder centric approach is at the heart of enabling a socially relevant and future-oriented approach to business. Engagement with stakeholders improves decision-making and accountability. We have a comprehensive engagement mechanism in place to have a consistent and transparent dialogue with all our stakeholders. This not only helps in finding solutions to important matters, but also builds trust and understanding. Our stakeholder engagement mechanisms aim to foster inclusivity, accountability and responsibility. We have built customised engagement channels tailored to the distinct needs of each stakeholder groups. While we periodically engage with our stakeholders, in FY21 we engaged with our stakeholder through a structured approach with the objective of incorporating their inputs into our materiality assessment.

The repository of responses from internal as well as external stakeholders helps us in streamlining our policies, processes and products, while our sharing gives them a fair idea of our future direction.

Our stakeholder engagement mechanism has three key pillars:

- Inclusivity
- Accountability
- Responsibility

Inclusivity

We prefer to include all stakeholders who are impacted by and who can influence our decisions and its implementation. Whether minor or major, internal or external, we have identified them and engage with them in a fair and transparent manner.

Some of the key stakeholders identified by us are:

- Employees
- Neighbouring Communities
- Patients
- Healthcare Professionals
- Investors & Shareholders
- Vendors, Suppliers & Distributors
- Government & Regulators

Accountability

We are answerable to our stakeholders and this accountability helps us maintain our integrity. Timely information is provided, and a considered response is sought, leading to meaningful communication and fruitful collaboration.

Some of the means we use to communicate include:

- Corporate Website
- Annual Reports
- Quarterly Reports
- Investor Presentations
- Official Press Releases
- Vendor Meets
- Customer Feedback Sessions
- Dedicated Portals for Employees, Vendors and Field staff
- Participation in Independent Exhibitions
- Social Media

Responsibility

We are thoughtful to the needs of all the stakeholders who are affected by our business, as those are the ones who support our operation. Each stakeholder is different, so is its need; and we are committed to responsibly balance the interests of all stakeholders.

We believe that those who are marginalised need more focus. So, we continuously and consistently plan and implement initiatives, which can alleviate their struggles and provide them well-being.

Stakeholder Engagement

Stakeholder group	How we engage	Key areas of interest of the stakeholder group	Our approach to managing expectations
Investor/ shareholder	<ul style="list-style-type: none"> • Annual/quarterly financial reports & earnings calls • Attending Investor Conferences • Issuing specific event-based press releases • Investor presentations 	<ul style="list-style-type: none"> • Corporate governance • EGS disclosures • Regulatory compliance • Responsible supply chain management • Product responsibility • Business Performance • Cost competitiveness 	<ul style="list-style-type: none"> • Governance mechanisms based on our core corporate values • Transparent disclosures are made periodically in the form of annual report, quarterly reports, press releases and investor presentation. • This year onwards annual sustainability report will also be published. • A dedicated supply chain team oversees effective and responsibility management of the supply chain • Dedicated teams such as quality management team and the pharmacovigilance unit collectively ensure product quality and safety aligned with stringent quality and safety management protocols. • Cost competitiveness enabled through operational excellence programs focused on manufacturing, workforce and supply chain optimisation.
Regulator	<ul style="list-style-type: none"> • In-person meetings • E-mail 	<ul style="list-style-type: none"> • Regulatory compliance • Community engagement • Rural market penetration • De-risk supply chain 	<ul style="list-style-type: none"> • Ensure compliance and roll out corrective measures in the event of a non-compliance • Tailored community development programs • Responsible supply chain strategy
Supplier/ vendor / third party manufacturer	<ul style="list-style-type: none"> • Vendor meets • Virtual modes such as E-mail, telephonically 	<ul style="list-style-type: none"> • Timely payments • Collaboration 	<ul style="list-style-type: none"> • Digital interventions and management systems to monitor and execute timely payments • Facilitate need-based engagement with vendors

Stakeholder group	How we engage	Key areas of interest of the stakeholder group	Our approach to managing expectations
NGO	<ul style="list-style-type: none"> In person meetings Virtual modes such as E-mail, telephonically 	<ul style="list-style-type: none"> Employee volunteering Agile management process 	<ul style="list-style-type: none"> Programs have been designed that facilitate and encourage employee volunteering CSR management system is periodically streamlined to enable enhanced responsiveness to community needs
Community	<ul style="list-style-type: none"> In person meetings Engagement through our NGO partners 	<ul style="list-style-type: none"> Community development programs with a focus on health, education, sanitation and infrastructural development 	<ul style="list-style-type: none"> Community development programs have been undertaken based on detailed need assessment studies. A systematic approach is employed to ensure positive development outcomes for the communities being served across the focus areas.
Customer - B2B	<ul style="list-style-type: none"> In-person meetings E-mail Customer feedback sessions 	<ul style="list-style-type: none"> Product quality, access and pricing 	<ul style="list-style-type: none"> Robust quality management system and pricing strategy based on enabling best outcomes for end-customers
Employee	<ul style="list-style-type: none"> Employee focused web-portal E-mail Employee engagement survey Town-halls 	<ul style="list-style-type: none"> Training, professional growth and development Well-being initiatives Employee recognition Fair remuneration Work-life balance 	<ul style="list-style-type: none"> Customised employee learning and development initiatives Curated employee welfare and recognition programs Annual appraisal and open feedback culture Active employee engagement
Senior Leadership	<ul style="list-style-type: none"> In person meetings Virtual modes such as E-mail, telephonically 	<ul style="list-style-type: none"> Sustainable and resilient business operations R&D and innovation 	<ul style="list-style-type: none"> Periodic business strategy review based on market dynamics and stakeholder inputs Capitalising on emerging technologies and continuously strengthening R&D capabilities

For more details regarding this, please refer Principle 8 of this report.

Principle 5

Human Rights

At Sun Pharma, we are dedicated to safeguard the fundamental human rights of all our employees, partners and other stakeholders. We believe in the universal and fundamental nature of human rights and ensure our workforce is aligned to this belief. Sun Pharma is hence a firm believer of the principle of human rights protection and adheres to it, in letter and spirit. Our commitment to human rights is substantiated by our Human Rights Policy which spans various principles ranging from freedom of association to freedom from harassment and applies across our operations. Our actions emanating from these policies speak louder than our intentions. Not only are we compliant with all the statutory laws and regulations, we

have grievance redressal mechanisms in place for violations, if any. We have zero tolerance to child labour, forced labour or discrimination based on gender, caste, creed, religion, marital status, sexual orientation, among other factors. In the reporting year, there were no human rights violation complaints, relating either to child, forced and involuntary labour or discriminatory employment against the Company, or any sexual harassment complaint.

We have robust procedures to mitigate violation of the fundamental human rights. Furthermore, we provide trainings to our employees to support awareness on our commitment to the protection of human right.

Principle 6

Environment

At Sun Pharma, we are dedicated to build capabilities and leverage our innovation-oriented approach to protect and rejuvenate our natural ecosystem. Being India's leading pharmaceutical company, we actively work towards minimising our environmental footprint and contributing to global climate action efforts. Mounting environmental and climate change linked concerns have further prompted us to step-up our efforts in this regard. Over the years, the ethos of natural resource conservation has been progressively built into every facet of our business operation. Beyond eco-efficient operational innovation, we have also been cultivating an environmentally conscious mind set among our employees. We ensure strict adherence to all applicable environmental laws and regulations in our geographies of operation. While we ensure compliance, it is our constant endeavour to embrace a beyond compliance and proactive approach to environmental management. We have embraced an all-encompassing Environment, Health & Safety (EHS) policy that imbues our commitment to environmental conservation in our operational endeavours. Our environmental management system based on the concept of continuous improvement anchors our environmental stewardship. The management system enables an innovation-centric, participatory and locally customisable approach to achieving environmental performance excellence. Around 93% of our Indian facilities are ISO 14001:2015 (EMS) certified.

Our commitment to climate action

We are one among the 24 signatories to the India CEO's Forum on Climate Change, which is driven by Government of India's Ministry of Environment, Forest and Climate Change. The forum enables corporates to make commitments to reduce GHG emissions and share best practices to develop resilience and help India meet its obligations towards the Paris Agreement. As part of this initiative, we have pledged to undertake measures spanning six thematic areas. Our upcoming sustainability report will give more details on our climate action plan.

Energy Conservation

Reduction in the consumption of energy is a win-win proposition. It positively impacts environment protection by lowering emissions and resource depletion as well as the financials by reducing operational costs and sourcing efforts. At Sun Pharma, interventions of different kind are executed to conserve as much energy as possible to reduce the environmental footprint. These interventions broadly focus on using energy more efficiently in the manufacturing processes and tapping technology to generate green energy. Our approach to energy management revolves around three thrust areas: monitor, decarbonise and minimise.

Greener Operations

We have taken a host of initiatives to reduce the consumption of energy in our processes at all our manufacturing plants. This was achieved through optimising the systems at various points, some of which are:

- Boiler economiser and air pre-heater installed for biomass fired boiler
- Heat pump installed for hot water generation
- Condensate recovery pump installed
- Energy efficient pumps installed
- Installation of air booster in compressed air line
- Removed primary and secondary system in chilling plant
- Installed closed loop system for chilled water circulation
- Motion sensor (electricity) installed to reduce energy consumption in close areas
- AHU centralised to reduce the power consumption
- Automated tube brushing usage to reduce scaling and reduce the energy
- Energy efficient motors provided to save energy consumption
- Replacement of HVLP lamps with LED lamps
- Using ETP RO water for makeup of Cooling Tower in Utility
- Reducing air compressor pressure on non-working days
- Replacement of existing conventional hot water system with Plate Heat Exchanger

Greener Investments

We are committed to generate more green energy to reduce our dependence on fossil fuels. Our renewable sources of energy encompass wind, solar and biomass. In FY21, we generated around 36.5 million kWh of clean energy (solar and wind energy).

Carbon emission management

We are committed to contribute to global climate mitigation efforts by reducing our carbon footprint. We periodically monitor our scope 1 (direct) and scope 2 (energy indirect) GHG emissions through a robust GHG inventorying process. We also monitor other air emissions such as Ozone Depleting Substances (ODS) and oxides of Nitrogen and Sulphur (NOx and Sox). With respect to ODS, we are gradually transitioning to gases with lower Ozone Depleting Potential (ODP) and Global Warming Potential (GWP) such as R 134-A and R 404 instead of R22

Clean Development Mechanism (CDM) projects have been implemented at our facilities by switching from 'conventional' furnace oil / light diesel oil boilers to 'eco-efficient' biomass briquette-based boilers. It not only restricts the emissions of our operations, but also achieves two more objectives:

- Social well-being: Generating additional earning opportunities for the local people
- Environmental well-being: Replacing fossil fuels by a carbon-neutral fuel

As of now, we have 14 facilities equipped with the biomass fuelled boilers, with a total steam generation capacity of 129 TPH.

Water management

We recognise water-stress as an imminent environmental risk with catastrophic implications. We monitor the water footprint of our manufacturing processes towards minimising our reliance on fresh water sources. We employ the 4 R principle of reduce, reuse, recycle and recharge in our water conservation endeavours. We have established stringent water consumption reduction KPIs across all our manufacturing facilities.

Waste Management

At Sun Pharma, we have well-documented SOPs/LEPs for effective waste management which are executed and

monitored on a continuous basis. Several initiatives are taken to reduce the production of waste by minimising waste at source; recycle waste materials including solvents, wastewater, glass, plastic liners, fibre drums, metal drum sheets, HDPE sheets and waste oil; and reuse the recovered solvents as and when possible.

Regular investments are made for process improvements as well as upgradation of effluent treatment plants. With the latest equipment installed for recycling of the treated effluent, we have achieved the status of zero liquid discharge at 21 of our facilities.

Some of the SOPs/LEPs include:

- Minimise the waste generation at the source itself
- Well-equipped solvent recovery systems enabling us to recycle recovered solvents
- Recycling of waste material is done through authorised recyclers and engaging scrap vendors for materials like paper, plastic and HDPE waste
- Ensure safe and responsible waste disposal as per Govt. norms and at Govt. approved sites

As of March 31, 2021, there were no pending notices from pollution control boards.

Principle 7

Policy Advocacy

We live in a dynamic world with unpredictable disruptions, technology changes and evolving research. As we are focussed on making affordable medicines more accessible, we share our experience and leverage our leadership position to provide incisive insights and detailed inputs to key decision makers in planning better policies for the patients. Along with that, we also learn from the best practices of others in the industry.

While we collaborate with various trade and industry associations, we are also members of:

- India CEO Forum on Climate Change
- Indian Drug Manufacturing Association (IDMA)
- Indian Pharmaceutical Alliance (IPA)
- Confederation of Indian Industry (CII)
- The Associated Chambers of Commerce of India (ASSOCHAM)
- The Federation of Indian Chambers of Commerce and Industry (FICCI)
- Federation of Gujarat Industries (FGI)
- Gujarat Employers Organisation (GEO)

Principle 8

Equitable Development

Equitable development is an approach for meeting the needs of underserved communities through policies and programmes that reduce disparities while fostering places that are healthy and vibrant.

At Sun Pharma, our community development programmes are intended to contribute towards a better quality of life for the people and uplift the marginalised sections of the society. We are guided by our comprehensive Corporate Social Responsibility (CSR) Policy which has also been posted on our website. We undertake periodic community need assessments to identify areas of impact and further strengthen the objectives of our CSR programmes. Furthermore, projects are monitored by our CSR team through site visits, reports from implementation partners and village-level project committees.

In FY21, we invested ₹269.50 Million (including administrative costs) for the implementation of CSR programmes and projects which focus on different thematic areas as per the needs identified in local communities and aligned with areas mentioned in the Schedule VII to the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The focus areas are:

- Healthcare Programmes
- Education Programmes
- Environment Conservation Programmes
- Drinking Water Projects
- Covid-19 Relief Works
- Rural Development Programmes

Healthcare Programmes

Cancer Sanatorium Institute, Wadala, Mumbai

We contributed towards setting-up of the cancer treatment and chemotherapy facility at Wadala, Mumbai keeping in view the needs of cancer patients.

The objective was to support the subsequent chemotherapy treatment of patients at the Hospital. The project will provide its services to the people from all sections of society. The project involved an investment of ₹100.00 Million during FY21.

Mobile Healthcare Unit (MHU)

Mobile healthcare services help in providing primary healthcare at the doorstep of neighbouring communities living in the vicinity of our manufacturing plant locations. These services are provided free of cost.

Focussed on underserved and marginalised communities, the mobile healthcare services provide care in different health areas, such as maternal health, adolescent health, neonatal and infant health, awareness and health services for communicable and non-communicable diseases, improving reproductive health, immunisation, etc.

Through MHU, we are ensuring preventive vaccination and encouraging regular medical check-ups among the rural population. It is operational in 11 different locations covering 6 states of India - Gujarat, Tamil Nadu, Punjab, Himachal Pradesh, Madhya Pradesh and Maharashtra. During FY21, we touched 155,683 beneficiaries including 126,234 curative treatments of patients through a total investment of ₹24.67 Million.

Pharma Research Laboratory

We provided support to set-up a research laboratory at Agricultural Development Trust's College of Agriculture, Baramati for carrying out research in the areas of science, agriculture and dairy for the benefit of the community. The infrastructural development of this project entailed an investment of ₹25.00 Million.

Community Healthcare

We financially supported the Citizen Blood Donation Society at Vadodara, Gujarat for promoting blood donation.

We are also running a Primary Health Centre at Toansa, Punjab enabling free medical benefits to the rural populace. In FY21, we invested ₹0.15 Million for such healthcare services in the community.

Education Programmes

Model School Development Project

Sun Pharma takes initiatives to enhance the educational standards in identified schools under this project by improving basic educational facilities. The following activities were carried out during FY21:

- Infrastructure upgradation
- Setting-up of digital classroom
- School toilet construction project
- Promoting quality education
- Development of Anganwadi centres
- Provision of drinking water for students
- Rainwater harvesting in schools
- Skill development training

The project helped 6,748 students and the community, with an investment of ₹10.75 Million.

Environment Conservation Programmes

Sun Pharma is committed towards environment conservation. In FY21, we executed many initiatives which included a green belt development project and a roadside plantation programme. Plantation and awareness generation activities were also carried out in schools and community for sensitising people towards the importance of conservation of environment.

The programmes were implemented in Ahmednagar, Panoli, Toansa and Vadodara with an investment of ₹0.45 Million during FY21.

Drinking Water Projects

The projects focus on provision of safe and potable drinking water for the community. One such project involves rejuvenation of small water bodies in Abhetwa rural communities in Halol (Gujarat). We are also maintaining deep borewell based drinking water supply system at Toansa throughout the year.

The projects are benefitting rural communities with a total investment of ₹0.60 Million during FY21.

Covid-19 Relief Works

Initiatives on prevention of Covid-19 in communities

The outbreak of Covid-19 was declared as a pandemic by WHO. Along with awareness programme, the company also distributed medicines, sanitisers, food items, grocery articles, masks and all other required things to the communities. We also supported the setting up of a Covid-19 testing centre. For this, we invested ₹106.25 Million during FY21.

Setting up of Covid-19 Testing Centre

We supported in setting up the Covid-19 Testing Centre at Ladakh. The Council of Scientific & Industrial Research (CSIR) and Institute of Integrative Medicine (IIM) from Jammu provided the training and logistics support for setting up the facility.

The Administration of Ladakh is now taking care of the facility which is in self-sustainable mode.

Donate a Plate Campaign

Sun Pharma participated in the noble cause of 'Donate a Plate' campaign for the less privileged children and families during festivals. The participation helped in arranging meals for the migrant workers in the lockdown during the festival. We spent ₹0.30 Million on this cause.

Provision of medicines to combat Covid-19 infection

Sun Pharma provided 'Tocilizumab' injection for seriously ill Covid patients under treatment at District Hospital, Silvassa, Dadra and Nagar Haveli. We spent ₹0.62 Million for the medicines.

Rural Infrastructure Development Projects

Under these projects, we help rural communities by development of basic infrastructure facilities. Various projects that benefitted the communities included installation of traffic signals, maintenance of playgrounds, renovation of community centres, etc. We invested ₹0.70 Million during FY21 for these development projects.

Principle 9 Customer Value

All our operations and efforts finally result in a brand trusted worldwide by our customers. State-of-the-art plants, cutting-edge technology, robust processes and comprehensive policies deliver products that alleviate the pain of the patients and heal them. Our customer-centricity approach hence encompasses a gamut of propositions:

- Delivering affordable medicines and increasing their accessibility
- Practising stringent quality standards to ensure safe, effective, and easy to use products
- Soliciting customers' feedback, insights and timely addressing their issues

Chronic Healthcare Products

We produce a comprehensive, diverse and highly complementary portfolio of generic and specialty medicines targeting a wide spectrum of chronic and acute treatments. New cures are of no use to the people if the cost is

prohibitive. We are trying to put our efforts in overcoming this affordability challenge.

Another space we are investing in is to make these affordable medicines accessible to a larger footprint. Our presence in more than 100 countries helps us in being responsive to local treatment needs while continually improving our global product offering in a range of therapeutic segments including central nervous system (CNS), cardiology, diabetology, gastroenterology, ophthalmology, etc.

Product Safety

The nature of our business makes it imperative for us to view quality not only as a differentiator, but also as an elementary feature of our products. We have thus, incorporated pharmaco-vigilance SOPs to methodically examine, detect and gauge any adverse effects which may arise in or due to our products. This system results in the elimination of misfortunes at the initial phase itself.

Being a customer-centric company as well as a global pharmaceutical leader, we keep pushing the envelope further in terms of product safety throughout our value-chain, with unrelenting vigilance of our R&D experts playing their part.

A comprehensive quality management system is in place to keep an all-inclusive and updated database of unfortunate events. Both healthcare and non-healthcare stakeholders can access the 'adverse impact reporting form' from our website. To encourage free and fair feedback, the reporter's identity is kept confidential and is diligently protected. After filtering the feedback received, the information is used for the systematic benefit-risk ratio assessment of the medicine.

Active Engagement

We engage with our customers who are spread globally, through a two-way interactive process:

Provide:

We disclose detailed information about all our products, complying with all applicable labelling codes and specifications. We also deal with customers in a transparent and ethical manner, eliminating any form of miscommunication or misunderstanding. Our employees' engagement with the customer is governed through our Global Code of Conduct.

Receive:

Our consistent engagement provides us with valuable feedback from customers and helps us identify and address issues, if any. In the reporting year, although no formal survey was carried out, our medical representatives continued to seek suggestions in person, from doctors and pharmacists. Our 'Customer Centricity Policy' also directs our employees to be receptive towards customer's needs and concerns.

In the last twelve years, no material case regarding dishonest trade practices or irresponsible advertising have been filed against Sun Pharma by any stakeholder