

Nurturing a talented and growth-oriented workforce

At Sun Pharma, we focus on humanising our HR management system, with 'care' for our employees being the primary consideration for decision-making.

Our employees have been at the forefront of creating new possibilities and growth avenues for our business. The culmination of their collective efforts and passion has been at the heart of our organisational agility and success. We understand that employee satisfaction and well-being are key enablers of workforce productivity. Our Human Resource (HR) management strategy thus aims to create a fulfilling work experience for each employee. We make consistent investments to ensure their all-round well-being and professional development.

Our values of humility, passion, integrity and innovation are ingrained in our approach to workforce management. Our HR policies are progressive and employee-friendly, and our employee programmes are tailored to make their time with us comfortable, inspiring and growth-oriented. The policies are periodically updated to keep pace with the dynamic shifts in our business landscape and employee expectations. We incorporate inputs from employee engagement channels and external experts while updating our HR policies and processes.

Glimpse of our workforce management approach

The imperative	Cornerstones of our approach	Strategic enablers	Aspirations
<p>Efficient workforce management supports:</p> <p>Organisational productivity, continuity and agility</p> <p>Retention of skilled and experienced employees helps secure a strong workforce pipeline for the future</p> <p>Employee engagement unlocks innovation, operational efficiency and industry best practices in business processes</p>	<p>Progressive, responsive and employee-centric HR policies</p> <p>Continuous improvement based on employee feedback and industry best practices</p>	<p>Biennial employee engagement survey called the 'Organisational Health Index Survey'</p> <p>Robust employee grievance redressal</p> <p>Curated training and development programmes</p> <p>~86% facilities are ISO 45001:2018 certified</p>	<p>To build and sustain a future-ready, diverse and growth-oriented workforce</p>

GRI 103-1, GRI 103-2, GRI 103-3



Connecting and engaging with our employees

To create a rich talent pool, we focus on attracting the brightest minds in the industry and building a long-lasting relationship with them. Active and transparent communication with our employees forms the foundation of our engagement strategy throughout their tenure with us.

Talent attraction

We are an equal opportunity employer and have a competency-focused approach to attracting talent. Our primary focus is on the skillsets an employee brings to the table, and on identifying employees with the drive to innovate, collaborate and excel. During the hiring stage, we also ensure alignment of the employee’s personal values with our corporate values and purpose.

We believe this alignment in the value system fosters workforce cohesion and enhances productivity. Each employee undergoes induction training that helps them gain a better understanding of our corporate value system, operations and organisational aspirations.

New hires in the period April 2020- March 2021						
Employee category	Number of employees	April 2020-March 2021				
		<30 years	30-50 years	>50 years	Male	Female
Top Management	7	0	4	3	7	0
Senior Management	55	1	51	3	52	3
Middle Management	163	13	147	3	143	20
Junior Management	1,381	934	447	0	1,205	176
Non-management	764	556	208	0	762	2
Field Employees	1,155	966	189	0	1,149	6
Total	3,525	2,470	1,046	9	3,318	207

3,000+

employees hired in FY21*

Majority (~70%) of our new hires were in the <30 years age bracket

*The significantly high rate of new hires as compared to attrition is due to the new positions sanctioned across different sites in FY21. Further, new positions from FY20 also spilled over to FY21, which resulted in the subsequent increase in new hires.

Region-wise new hires in the period April 2020-March 2021**	Total number of employees
API Cluster I (Ahmednagar, Dahej and MKM)	143
API Cluster II (Ankleshwar, Karkhadi and Panoli)	173
API Cluster III (Toansa and Dewas API)	103
Malanpur (API)	23
Corporate office	186
R&D Baroda	153
R&D Gurgaon	103
SGO Region I (Halol, Dadra, Baska, Mohali, Paonta Sahib, Jammu)	989
SGO Region II (Goa, Dewas, Sikkim, Baddi, Guwahati, Zenotech)	497
Total	2,370

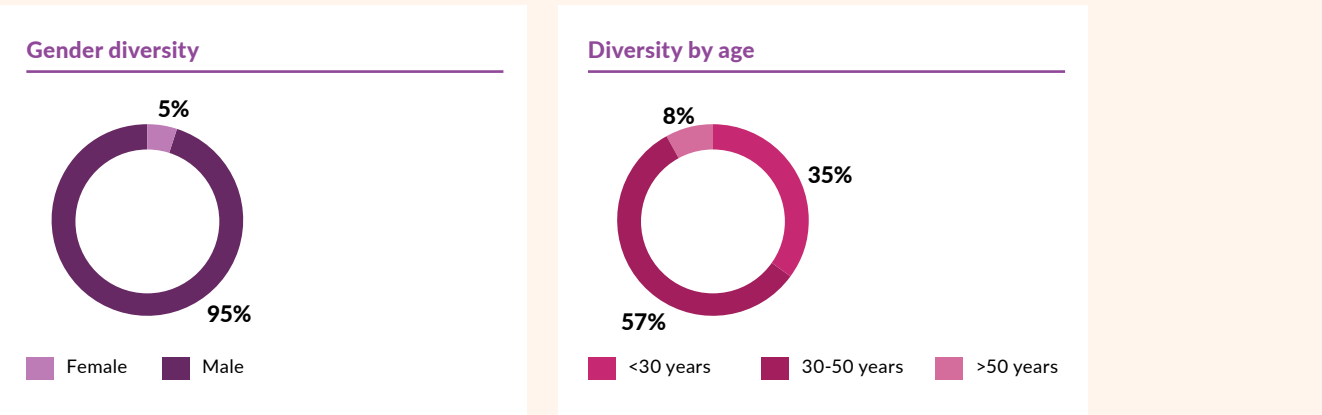
**Field employees are excluded from this region-wise distribution data

GRI 103-1, GRI 103-2, GRI 401-1

Our workforce composition

We have a multi-disciplinary and diverse workforce involved in developing cutting-edge solutions for patients. Our constant endeavour is to promote diversity by creating an inclusive and collaborative work environment. We encourage diversity in hiring and track associated metrics.

Employee category	Number of employees	April 2020-March 2021				
		<30 years	30-50 years	>50 years	Male	Female
Top Management	119	0	36	83	110	9
Senior Management	532	1	345	186	497	35
Middle Management	1,814	32	1,524	258	1,602	212
Junior Management	8,271	2,318	5,535	418	7,336	935
Non-management	5,634	1,690	3,013	931	5,478	156
Field Employees	10,932	5,624	5,006	302	10,824	108
Total	27,302	9,665	15,459	2,178	25,847	1,455
Apprentices	705				647	58
Grand Total	28,007				26,494	1,513



GRI 102-8, GRI 405-1

Employee engagement survey

We work towards building a strong relationship with our employees based on mutual trust. To gauge the effectiveness of our employee engagement strategy, we conduct an Organisational Health Index (OHI) survey once every two years. The survey, based on the McKinsey model that incorporates global and functional benchmarks, aims to capture the feedback and sentiments of our employees. The first survey was undertaken soon after our merger with Ranbaxy in 2014. Subsequently, we conducted surveys in 2016 and 2018. With at least 85% participation in each survey cycle, the surveys were clear evidence of employee confidence in this feedback mechanism. The survey covered all our employees globally, including technicians, workers and field employees.

The outcomes of the survey are carefully analysed using deep analytics to identify action areas, following which we rigorously drive progress on these areas. Our efforts have culminated in consistent improvement in the employee engagement score each year in the last three cycles. In FY21, given the pandemic, we adapted our survey to address challenges imposed by the pandemic by rolling out localised, need-based, employee well-being surveys. We plan to conduct a comprehensive employee engagement survey in the upcoming year.

Total employee turnover (including retiring, resigning, terminated employees and the deceased during the year)

Employee category	Number of employees	April 2020-March 2021				
		<30 years	30-50 years	>50 years	Male	Female
Top Management	14	0	6	8	14	0
Senior Management	62	0	46	16	59	3
Middle Management	147	3	122	22	135	12
Junior Management	1,109	555	531	23	965	144
Non-management	594	357	182	55	587	7
Field Employees	619	440	154	25	604	15
Total	2,545	1,355	1,041	149	2,364	181

Region-wise employee turnover in the period April 2020-March 2021*

Total number of employees

API Cluster I (Ahmednagar, Dahej and MKM)	122
API Cluster II (Ankleshwar, Karkhadi and Panoli)	171
API Cluster III (Toansa and Dewas API)	48
Malanpur (API)	5
Corporate office	144
R&D Baroda	81
R&D Gurgaon	92
SGO Region I (Halol, Dadra, Baska, Mohali, Paonta Sahib, Jammu)	810
SGO Region II (Goa, Dewas, Sikkim, Baddi, Guwahati, Zenotech)	453
Grand Total	1,926

*Field employees are excluded from this region-wise distribution data

Aligning and balancing employee aspirations and organisational goals

We invest in the professional development of each employee, and work towards cultivating a culture of shared growth and excellence. While honing their inherent talent, we also focus on equipping them with skills required for their role. Two vital aspects of enabling employee professional growth are:

- * **Performance management through annual appraisals:** The process is facilitated by an open two-way dialogue between the employee and the manager, and includes goal setting, mid-year review and year-end review. Periodic check-ins and regular feedback ensure transparency and fairness in performance management. In FY21, 100% of our employees were covered by the annual appraisal cycle.
- * **Comprehensive training and development programmes:** Our training and development programmes are designed to address diverse learning needs identified through analysis of individual development plans and business unit interactions. Training programmes are facilitated by internal and external experts and the pedagogy has been adapted to the online/virtual mode, given the present challenges. We have also provided employees access to a wide repertoire of courses through Massive Open Online Courses (MOOCs) and TED talks.

GRI 401-1, GRI 404-3, GRI 404-2

Average training hours imparted in FY21

Employee category	Male	Female
Top Management	21	10
Senior Management	28	17
Middle Management	33	15
Junior Management	42	25
Associate/Non-management	77	12
Total	53	22

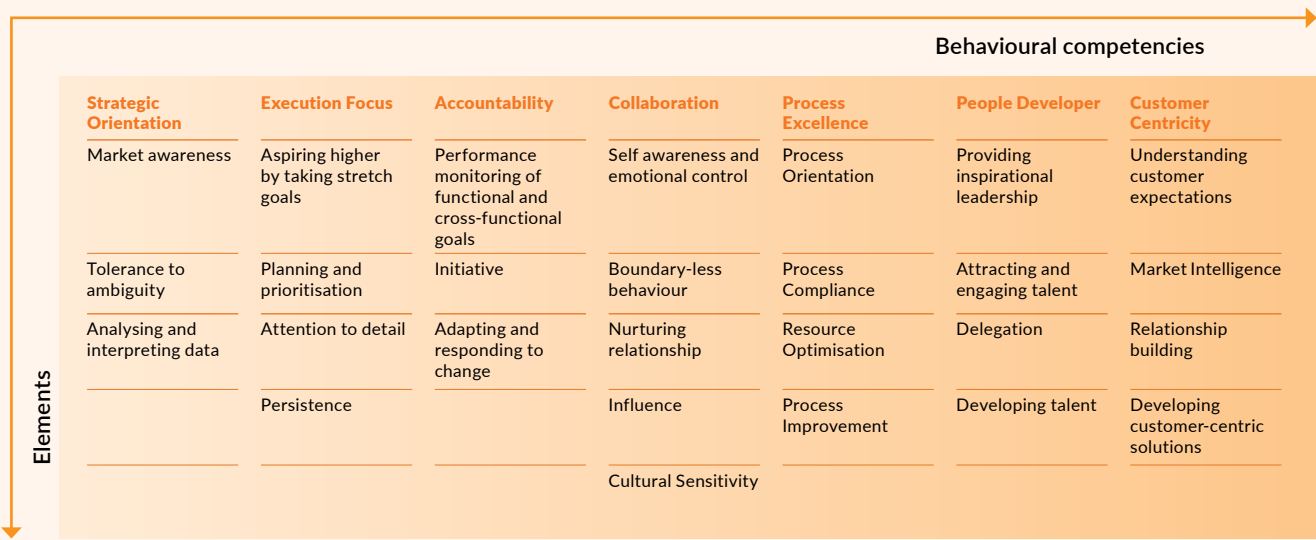
Overview of our training programmes

Culture building Our training programmes sensitise employees and help engender an inclusive and ethical workplace. They focus on our corporate values, women safety and inclusion. Some of the key programmes are:	<ul style="list-style-type: none">* Classroom and e-learning sessions on Prevention of Sexual Harassment (POSH), including periodic communication and training* Induction programme* E-learning modules on success attributes
Leadership development We run training programmes focused on enhancing managerial capabilities and leadership acumen. In FY21, we conducted a customised course for 50 high-performing leaders in our India operations. Additionally, monthly webinars were organised for leaders globally under the VITAMIN series. Some other key programmes were:	<ul style="list-style-type: none">* McKinsey management programme* First Time Manager programme that covers key topics, such as communication, presentation and time management skills* VITAMIN series focused on digital and analytics adoption in the pharma sector* E-learning modules on managerial effectiveness
Data and documentation management To help strengthen our data management processes, we rolled out a series of programmes to help employees effectively catalogue, analyse and store data. Some of the key programmes were:	<ul style="list-style-type: none">* Data reliability for shop floor employees* Good documentation practices* Annual training on data protection for computer software system* Electronic data management
Digitalisation To adapt to the new normal of virtual interactions and support digitalisation of specific business processes, we conduct sessions focused on application of digital tools. Some of our key sessions include:	<ul style="list-style-type: none">* Training to effectively use collaborative tools, such as Go To Meetings* VITAMIN series focused on digital and analytics adoption in the pharma sector* Digital marketing sessions
Technical skill development We have numerous programmes designed to upgrade the analytical, technical and job function-specific skills of our employees. Some of the key thematic areas covered through these trainings are: <ul style="list-style-type: none">* Gyandeeep initiative (a technical training series)* Statistical Process Quality Control (SPQC)* Pharmacovigilance* Quality and compliance* Product quality management* Good Manufacturing Practices (GMP)	<ul style="list-style-type: none">* Operation, functionality and maintenance of equipment, such as reactors, boilers among others* Equipment calibration and preventive maintenance* Field force focused training, such as brand protection training, selling skills, therapy and product knowledge for India and emerging markets* Standard operating procedures* Production planning and management
Soft-skill and behavioural development We emphasise on cultivating the right behavioural attributes that can enhance the efficiency of our employees. In FY21, we rolled out 23 new customised e-learning modules on success attributes. Our soft-skill focused programmes cover topics such as:	<ul style="list-style-type: none">* Time management* Presentation skills* Communication skills* Ability to execute* Enguru (to improve proficiency in English language)* Positive thinking and motivational training* Behavioural development

GRI 404-1

Driving excellence through our behavioural competency framework

Our behavioural competency framework is designed to unlock excellence by cultivating the right blend of behavioral competencies for leaders in our firm. The framework helps us devise learning and development trajectories for each employee to emerge as inspirational and resourceful leaders. Honing seven identified behavioural competencies play a vital role in cultivating a well-rounded, inclusive and enterprising leadership team. This framework is a crucial aspect of our leadership succession planning, and securing a pipeline of future-ready leaders.



Respecting and rewarding employee contributions

Over the years, we have built an inclusive and collaborative work culture that values each employee’s contribution and inspires excellence. We take pride in the diversity of our workforce and are committed to respecting diverse employee needs. We celebrate diverse cultural festivals and observe international days, such as Women’s Day to promote diversity and reduce unconscious bias.

To ensure that our employees feel secure, we extend various facilities like medical insurance, group term life insurance and accident insurance. We help our employees take a break and de-stress through our comprehensive leave programme. We also provide maternity, adoption and paternity leave aligned to regulatory requirements and support those returning to work after availing parental leave with crèche facilities either on the premise or through tie-ups with nearby crèches.

Empowering our female workforce

We encourage our women employees to pursue a fulfilling career with us. We conduct sensitivity training for managers on diversity and have also imbued diversity considerations into our policies. A dedicated women’s forum termed ‘SUNNARI’ helps our female employees come together to address issues or common concerns. Multiple initiatives are undertaken in this forum, such as Women’s Day celebrations, trainings, discussion on wellness topics, women safety and so on. We currently have several female employees in leadership positions across the organisation



GRI 401-2

Employee category	Ratio of basic salary of women to men (FY21)	Ratio of total remuneration of women to men (FY21)
Top Management	85.96:100	90.28:100
Senior Management	111.94:100	111.47:100
Middle Management	96.47:100	96.46:100
Junior Management	94.74:100	89.19:100
Associates/Non-management (Operator)	97.53:100	89.92:100

Parental leave FY21

Number of employees entitled to parental leave in FY21		Number of employees who took parental leave in FY21		Number of employees who returned to work in the reporting period after parental leave ended (FY21)		Number of employees who returned to work after parental leave ended (in FY20) and who were still employed 12 months after their return to work	
Male	Female	Male	Female	Male	Female	Male	Female
10,852	702	842	30	842	14	924	51

We believe that to create a motivated and empowered workforce, it is important to value, recognise and reward employee contributions. We ensure our remuneration across the workforce is industry competitive and benchmarked with an identified set of industry peers through independent compensation consultants. We also have employee recognition programmes that celebrate their achievements and contributions.

Our human rights commitment

We are dedicated to respect and protect the human rights of all our employees. We have zero tolerance to child labour, forced labour or discrimination based on gender, caste, creed, religion, marital status, sexual orientation, among other factors. We respect the right to freedom of association and have a management-recognised employee association, which covers ~4% of our employee membership as on March 31, 2021. We have robust procedures to mitigate violation of fundamental human rights.

In order to ensure the protection of human rights, we also conduct independent third-party audits at our facilities based on Sedex Members Ethical Trade Audit (SMETA) guidelines. These include evaluation on labour standards, health and safety, environment and business ethics as well as covers topics, such as freedom of association, safe and hygienic conditions, living wages, child labour, discrimination, among others. Training is provided to employees to create awareness on our commitment to the protection of human rights.

Employee training on human rights policies and procedures

Employee category	FY21	
	Male (Training manhours)	Female (Training woman hours)
Top Management	7	0
Senior Management	52	3
Middle Management	143	20
Junior Management	1,205	176
Non-management	762	2
Total	2,169	201

2,000+ hours

of human rights focused training imparted

GRI 405-2, GRI 401-3, GRI 102-41, GRI 407-1, GRI 408-1, GRI 409-1, GRI 412-1, GRI 412-2