

Catalysing Value Creation for Our Stakeholders (continued)

Building a Resilient Workforce³⁸

Our employees remain at the forefront of driving change, realising our company's potential, and optimising growth opportunities. We believe that employee health and well-being are key ingredients for the holistic growth and performance of the Company and its employees. Our human resource policies and practices aim to provide each employee with a rewarding work experience. We make regular investments in the overall well-being and professional growth of every employee. Our strategy to workforce management is based on our principles of humility, passion, ethics, and creativity. Our employee programme is designed to make our employee's journey with the Company enjoyable, rewarding, and valuable. Our policies are revisited at the right intervals to complement the dynamics of our business environment. We also maintain a robust employee feedback mechanism to augment our HR policies and practices and engage subject matter experts to explore new and innovative HR practices.



³⁸GRI103-1, GRI 103-2, GRI 103-3



Talent Attraction³⁹

We are an equal opportunity employer that recruits candidates based on their skills. Our main focus is on the skill sets that individuals bring to the table, as well as on selecting people that are motivated to develop, participate, and thrive. We also check the compatibility of the employee's personal values with our business principles and purpose during the hiring process. We believe this value system congruence promotes workplace cohesiveness and productivity. Every employee receives introductory training to help them grasp our corporate value system, operations, and organisational goals.

4,500+
employees hired
in FY22

The majority of our
new hires were in
the <30 years age
bracket



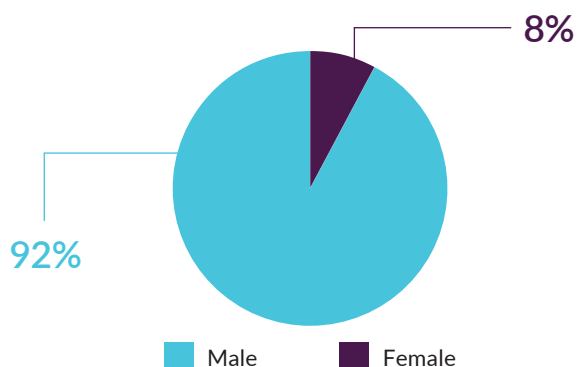
New Hires in FY22

Employee Category	Total	<30 years	30-50 years	>50 years	Male	Female
Top Management	9	0	3	6	9	0
Senior Management	46	2	33	11	36	10
Middle Management	202	21	171	10	161	41
Junior Management	1484	954	525	5	1228	256
Non-Management	961	523	358	80	802	159
Sub Total	2702	1500	1090	112	2236	466
Field Employees	1867	1738	129		1863	4
Total	4569	3238	1219	112	4099	470

Employee Demographics⁴⁰

In order to produce cutting-edge solutions for patients, we have a multi-disciplinary and diversified workforce. Our continual goal is to encourage diversity by cultivating a welcoming and collaborative workplace. We promote diversity in employment, monitor the results, and assess the outcomes for improvement.

Gender Diversity



³⁹GRI 103-1, GRI 103-2, GRI 103-3, GRI 401-1

⁴⁰GRI 102-8, GRI 405-1

Catalysing Value Creation for Our Stakeholders (continued)

Total Number of Employees⁴¹

Employee category	Number of employees	<30 years	30–50 years	>50 years	Male	Female
Management executives						
Top management	153	0	46	107	137	16
Senior management	650	2	388	260	560	90
Middle management	2,207	33	1,767	407	1,853	354
Junior management	8,775	2,146	6,120	509	7,540	1,235
Executives on contract	1,481	877	444	160	1,133	348
Trainees	5,630	1,417	3,287	926	5,481	149
Field employees	11,250	5,859	5,127	264	11,149	101
Total	30,146	10,334	17,179	2,633	27,853	2,293

Employee Turnover⁴² (including retiring, resigning, terminated, and deceased employees during the year)

Employee category	Number of employees	<30 years	30–50 years	>50 years	Male	Female
Top management	18	0	11	7	18	0
Senior management	81	0	53	28	75	6
Middle management	253	6	216	31	205	48
Junior management	1,251	505	712	34	1,058	193
Non-management	906	342	397	167	745	161
Field employees	1,128	742	354	32	1,121	7
Total	3,637	1,595	1,743	299	3,222	415

12.06%
Employee
turnover rate

9.28%*
Voluntary employee
turnover rate

*For Indian operations representing >75% of our workforce

Employee Engagement and Communication

To cultivate a diverse talent pool, we focus on recruiting the industry's top talent and nurturing long-term relationships with them. Our engagement approach is built on active and honest interactions with our personnel.

Employee Engagement Survey

We want to build a healthy, mutually trusting connection with our personnel and incorporate periodic feedback within our systems and processes. We have been conducting an Organisation Health Index (OHI) survey, which is based on the McKinsey model. It includes global and functional standards and attempts to capture our employees' opinions and emotions. The first survey was conducted shortly after our 2014 merger with Ranbaxy. Following that, in 2016 and 2018, we conducted surveys that provided insights into employee trust in our feedback process, with at least 85% participation in each survey cycle. The poll included technicians, labourers, and field staff from all across the world. The information collated from this

survey supports us in improving the overall work culture at Sun Pharma. Building on this philosophy, this year we have partnered with the Great Place to Work® Institute to conduct an employee survey. The survey's results will be thoroughly examined, utilising deep analytics to identify action areas, after which we will diligently pursue growth in these areas from 2023 onwards. In the previous three survey remediation cycles, our efforts have resulted in continuous gains in employee engagement scores. We updated our survey in FY22 to address the challenges brought by the pandemic by launching locally tailored, employee need-based well-being surveys.

Aligning and Harmonising Employee Ambitions with Organisational Objectives

We invest in each employee's professional development and strive to foster a culture of shared growth and excellence. We focus on developing their innate potential, while also providing them with the necessary skills for their profession. The following are two critical factors of facilitating employee professional development:

- Annual assessments for performance management⁴³: Goal setting, mid-year reviews, and year-end reviews are all part of the process, which are complemented by an open two-way discussion between the employee and the management. Transparency and fairness in performance management are ensured through regular check-ins and regular feedback. The yearly assessment cycle covered 100% of our staff in FY22.

⁴¹GRI 102-7

⁴²GRI 401-1

⁴³GRI 404-3



- b) Our comprehensive training and development programmes are designed to fulfil a variety of learning requirements, determined through an examination of individual growth goals and business unit interactions. Internal and external specialists conduct training programmes, and the methodology has been modified to the online/virtual form to allow employees flexibility to take trainings as per their ease and on time. Employees also had access to a diverse range of courses via Massive Open Online Courses (MOOCs) and TED talks.

Average Training Hours⁴⁴

Employee category	Male	Female
Top management	46	62
Senior management	76	54
Middle management	173	108
Junior management	75	63
Associate/non-management	160	54



⁴⁴GRI 404-1

Catalysing Value Creation for Our Stakeholders (continued)

Overview of Our Training Programmes⁴⁵

The pharmaceutical business is a knowledge-intensive business. We believe in building and creating a strong human resource pipeline. As a result, training and development are continual practices inside the Company. Some of the training programmes are given below:



Soft Skills and Behaviour Development

- Time management
- Presentation skills
- Communication skills
- Ability to execute
- Positive thinking and motivational training
- Behavioural development



Culture Building

- 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

- 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
- Leadership 360 feedback for 250 leaders
- IIM Leadership Programme
- Leadership 360 feedback for 250 leaders



Data and Documentation Management

- Data reliability for shop floor employees
- Good documentation practices
- Annual training on data protection for computer software systems
- Electronic data management



Digitisation

- 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

- Gyandeeep initiative (a technical training series)
- Statistical process quality control
- Pharmacovigilance
- Quality and compliance
- Product quality management
- GMP
- Operation, functionality, and maintenance of equipment, such as reactors and 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
- SOPs
- Production planning and management

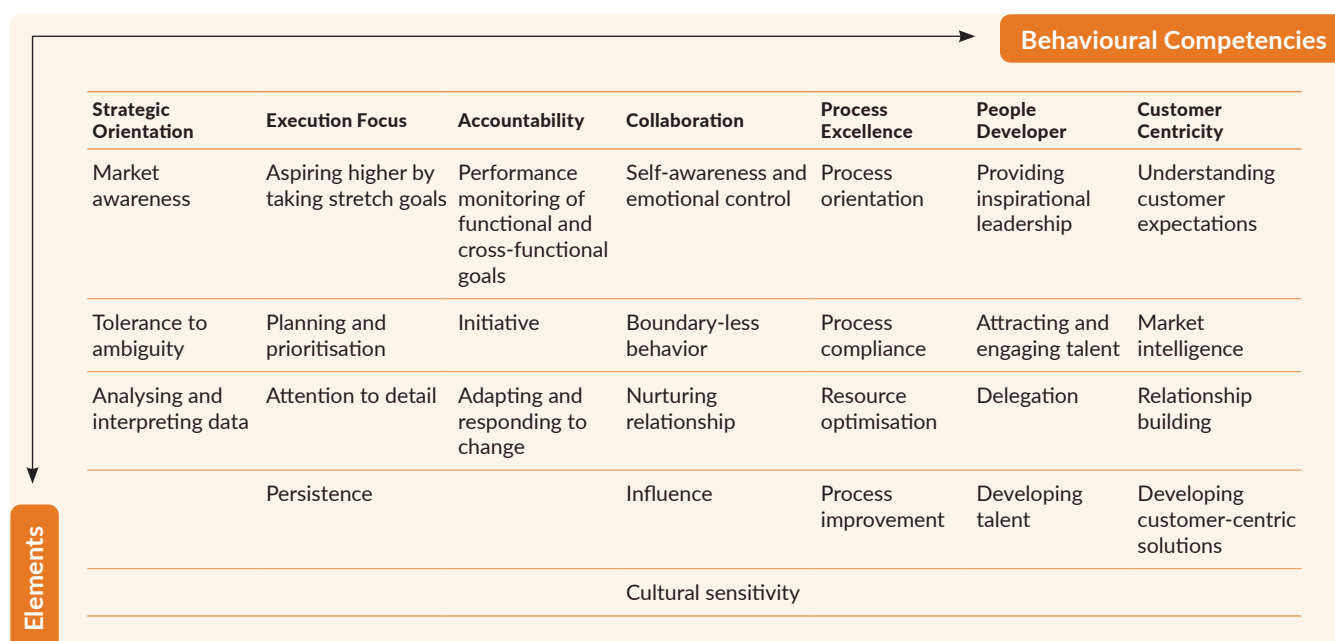
⁴⁵GRI 404-2



Behavioural Competency Framework

At Sun Pharma, our behavioural competency framework drives seven behavioural competencies amongst our leadership. The framework enables the development of a leadership trajectory for each employee, preparing them to emerge as future leaders. Additionally, in FY22, we trained our employees globally on Sun Pharma's behavioural competency framework. Further, to align the competency framework within the entire organisation, we have integrated it with Sun Pharma's recruiting process in FY22. This framework is a vital point of our leadership training programmes, enabling the development of future leaders.

In FY22, we integrated measurement of live virtual training programmes through the evaluation of behavioural aspects pre and post training sessions. Prior to the development and implementation of the training programme, the manager evaluates behavioural aspects of employees and then compares them with the learnings accrued post completion of the programme. This enables us to underscore the impact of L&D programmes.



Fostering an Ethics-Driven Culture⁴⁶

Towards the end of 2021, we launched 'People First' to enable leaders at Sun Pharma to enhance their leadership skills by developing 16 key people leadership behaviours, based on our competency framework. We observed an overwhelming participation in our 'People First' initiative, wherein we received feedback from 4,300+ employees for 260 leaders in our organisation. The feedback received from colleagues has been consolidated, and the observations have been shared with individual leaders. Leaders review the takeaways for themselves to build holistic development actions to enhance their leadership skills, with the support of their respective managers, human resources, and the wider organisation.

As we endeavour to have an ethical workplace, we ensure strict adherence to our ethics, values, and integrity principles. Our employees receive training on the Code of Conduct, and we are currently in the process of implementing stand-alone anti-corruption and anti-bribery compliance trainings. These trainings are expected to be rolled out in FY23 to further

emphasise the strict adherence of ethics and integrity principles across our organisation. While every employee signs off their adherence to the Global Code on Conduct, to further strengthen our efforts of integrating Sun Pharma's Global Code of Conduct (GCoC) principles within workplace behaviour, we are in the process of implementing GCoC trainings, mapped with training at the end of an assessment.

We conduct periodic communication and training on POSH principles and policies through e-learning/classroom sessions.

In FY22, as part of our celebration of International Women's Day, we organised a panel discussion for our employees with eminent industrial experts, Mr. Vineet Nayar (former CEO of HCL Technologies), Ms. Rama Bijapurkar (Professor of Management Practice, IIM Ahmedabad, Independent Director on several boards including Sun Pharma), and Dr. Falguni Vasavada Ozais (Professor and Chair, Strategic Marketing, Mudra Institute of Communication).

⁴⁶GRI 103-1, GRI 103-2, GRI 103-3

Catalysing Value Creation for Our Stakeholders (continued)

Respecting and Rewarding Employee Contributions⁴⁷

We have developed an inclusive and collaborative work culture that recognises each employee's effort and fosters excellence in the long term. We are proud of our diverse workforce and are committed to meeting the requirements of all employees. To encourage diversity and eliminate unconscious prejudice, we celebrate a variety of ethnic festivals and honour international days of recognition, such as Women's Day.

We provide substantial advantages, such as medical insurance, group term life insurance, and accident insurance to guarantee

that our employees are protected. Through our leave programme, we assist our employees in taking a break and de-stressing. Our employees can avail flexible shift hours through the Company's portal. We also provide regulatory-compliant maternity, adoption, and paternity leave, as well as assistance for people returning to work after taking parental leave through lactation facilities, crèche facilities on-site, or through partnerships with adjacent crèches.

India

Employee category	Ratio of basic salary of women to men (FY22)	Ratio of total remuneration of women to men (FY22)
Top management	86:100	90:100
Senior management	112:100	111:100
Middle management	96:100	96:100
Junior management	95:100	89:100
Associates/Non-management	98:100	90:100

Global

Employee category	Ratio of basic salary of women to men (FY22)	Ratio of total remuneration of women to men (FY22)
Top management	112:100	87:100
Senior management	85:100	84:100
Middle management	79:100	79:100
Junior management	100:100	101:100
Associates/Non-management	81:100	80:100

We understand that valuing, recognising, and rewarding employee contributions is critical to developing a motivated and empowered team. Through independent compensation advisors, we guarantee that our remuneration throughout the workforce is industry competitive and benchmarked against a defined set of industry peers. Employee appreciation programmes also exist to acknowledge and celebrate employees' accomplishments and efforts.

Parental Leave⁴⁸**India**

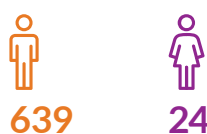
Number of employees who took parental leave in FY22



Number of employees who returned to work in the reporting period after parental leave ended (FY22)



Return to work rate (%)



Number of employees who returned to work after parental leave ended (in FY21) who were still employed 12 months after their return to work



Retention rate (%)

⁴⁷GRI 405-2 ⁴⁸GRI 401-2, GRI 401-3



Global



26



76

Number of employees who took parental leave in FY22



25



42

Number of employees who returned to work in the reporting period after parental leave ended (FY22)



96



55

Return to work rate (%)



24



47

Number of employees who returned to work after parental leave ended (in FY21) who were still employed 12 months after their return to work

Our Human Rights Commitment⁴⁹

At Sun Pharma, we have a robust mechanism for the prevention of human rights violations. We have a dedicated Human Rights Policy highlighting our approach towards the prohibition of child and forced labour, employee inclusiveness in terms of equal opportunities, non-discrimination on the basis of gender, sexual orientation, race, religion, caste, ethnicity, age, nationality, disability, HIV status, or family status, among others. The policy further outlines our commitment towards the protection and promotion of the health, safety and well-being of employees through the provision of a robust EHS management system, work-life balance benefits, and workplace security.

We have zero tolerance for child labour, forced labour, or discrimination based on gender, caste, creed, religion, marital status, or sexual orientation. We value employees' freedom of association and have a management-recognised employee organisation (wherever applicable across our global manufacturing operations) that represents 11% of our workforce as of March 31, 2022. We have processes in place to address violations of fundamental human rights.

We also perform independent third-party audits at our facilities based on Sedex Members Ethical Trade Audit (SMETA) criteria to guarantee the preservation of human rights. These include assessments of labour standards, health and safety, environment, corporate ethics, as well as themes, such as freedom of association, safe and sanitary working conditions, living wages, child labour, and discrimination. Employees undergo training to help them understand our commitment to human rights protection.

Employee Training on Human Rights Policies and Procedures⁵⁰

Employee category	FY22	
	Male (training hours)	Female (training hours)
Top management	32	8
Senior management	180	14
Middle management	300	174
Junior management	72	66
Non-management	0	0
Total	584	262

⁴⁹GRI 103-1, GRI 103-2, GRI 103-3, GRI 102-41, GRI 407-1, GRI 408-1, GRI 409-1, GRI 412-1, GRI 412-2

⁵⁰The data in FY21 was restricted to our employees who attended our annual refresher module on Sun Pharma's Global Code of Conduct. In FY22, we introduced classroom sessions on our Global Code of Conduct. The data reported in FY22 is inclusive of employees who undertook our classroom sessions as well. In FY23, we will introduce LMS-focused human rights training modules for all our employees.