

# Business Responsibility Report

## Message from the Director's Desk

People globally depend on pharmaceutical industry for their health. Our societal welfare, economic or otherwise, is built on the foundations of having a healthy and productive population. The pivotal significance of pharmaceutical products for the society makes the industry highly vulnerable to stakeholder expectations. Therefore, business models must be willing to manage the emerging expectations of a wider set of stakeholders and address evolving priorities across the triple bottom lines of economic, environmental and social segments.

Being the world's 4th largest specialty generic pharmaceutical company and a trusted brand worldwide, we believe that our key responsibility is to make our medicines affordable and accessible to an ever-increasing population to provide for their unmet needs. We achieve these objectives by manufacturing our quality products safely, and in an environmentally responsible manner.

While nurturing nature and participating actively in social causes is as old as our business itself, six years ago, we synthesised all these elements in one cohesive model based on the National Voluntary Guidelines (NVG). It helped us in focussing our efforts towards all our stakeholders, be it patients, community, planet, shareholders, employees, etc.

As we move ahead on our sustainability journey, this year saw the development of some promising trends in all the three areas of Employee Wellness, Community Wellness and Environment Wellness.

### Employee Wellness

Our most valuable asset is our multi-cultural team. Diverse cultural perspectives inspire creativity and drive innovation. With a global strength of 32,000+ employees, 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 unmet medical needs, community's upliftment and environment's protection. The reporting year saw the safety and skill up-gradation training of approximately 41% of our employees. Of our total women employees, 34% underwent this training.

### Community Wellness

While making medicines which are more accessible and affordable to all is our role, 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 residents. In FY19, we also supported Government initiatives, like helping build 216 individual household toilets with an investment of ₹4.36 Million to achieve Government's objective of zero open defecation.

### Environment Wellness

Technology-based differentiation is the hallmark of our product offerings and our environmental initiatives. We continue to invest in innovations based on an all-inclusive EHS (Environment, Health and Safety) policy, which we have institutionalised to administer and guide our operations.

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, reducing our impact on the environment. Seventeen of our units are Zero Liquid Discharge (ZLD) facilities, while 5 are in the process of obtaining the status. In FY19, we also generated around 2.05 Million kWh of clean energy.

This Business Responsibility Report (BRR) articulates our commitment to the community, environment and all our stakeholders. We welcome your feedback on this report as your insights will help us enhance our triple bottom line performance.

Regards,

**Sudhir V. Valia**

Whole-time Director

**Overview**

Medical advancements have enabled people to live longer. According to projections, there will be more than 10 Billion people living on Earth by the year 2100. The rise in population would result in more demand of supplies, and subsequently more usage of natural resources and energy. If energy continues to be developed by finite fossil fuels, and the natural resources keep depleting at the pace they are, the environmental damage will drive us to a point of no return.

That is why sustainable development is so important and the governments as well as the corporate world would have to focus on their responsibilities. As part of the Sustainable Development Goals (SDGs), world leaders have promised to end poverty, reduce inequalities, and tackle climate change by 2030.

Being a global pharma leader with 32,000+ employees worldwide, 40+ manufacturing sites, 100+ markets served and a portfolio of 2,000+ marketed products, we at Sun Pharma strongly believe that business and responsibility go hand-in-hand. Lasting value can only be created, if the right balance between the triple bottom lines of economic, environmental and social is achieved.

This Business Responsibility Report is our demonstration of the triple bottom line approach covering the social, environmental and economic aspects of the 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 - 390 012, Gujarat
4	Website	<a href="http://www.sunpharma.com/">http://www.sunpharma.com/</a>
5	E-mail id	secretarial@sunpharma.com
6	Financial Year reported	April 1, 2018 to March 31, 2019
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)	Cip-Isotretinoin   Levulan Kerastick   EET (ARV)
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, South Africa, Romania, Japan, and Canada
	2. Number of National Locations	Facilities: Halol, Baska, Panoli, Karkhadi, Ankleshwar and Dahej (all in Gujarat), Baddi and Paonta Sahib (both in Himachal Pradesh), Mohali and Toansa (both in Punjab), Malanpur and Dewas (both in Madhya Pradesh), Ahmednagar (Maharashtra), Maduranthakam (Tamil Nadu), Dadra, Silvassa, Jammu (J&K), Sikkim, Goa, and Guwahati (Assam)  R&D Centres: Vadodara (Gujarat), Mumbai (Maharashtra), and Gurgaon (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, South America, Europe, Africa, and Australia

## Section B: Financial Details of the Company

1	Paid up Capital (₹)	2,399 Million
2	Total Turnover (₹)	97,833 Million (standalone)
3	Total profit after taxes (₹)	8,166 Million (standalone)
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Since the average net profit for the last three years is negative, the Company is not required to allocate any amount towards CSR. However, it has voluntarily spent ₹39.36 Million on CSR activities for the year.
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	5561
2	# Name	Mr. Sudhir V. Valia
3	# Designation	Whole-time Director

### b. Details of the BR head:

1	# DIN Number (if applicable)	Mr. Sudhir V. Valia, 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	
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 is 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 respective principles of NVG guidelines.								
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. Sudhir Valia, Whole-time Director - Sun Pharma, to oversee 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	

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 FY19 is a part of the annual report and can also be accessed through the link: <a href="http://www.sunpharma.com/pdflist/all-documents">http://www.sunpharma.com/pdflist/all-documents</a> . It is published annually.

**Principle 1: Ethics, Transparency and Accountability**

Good governance is at the heart of sustained growth of an organisation. At Sun Pharma, our governance standards are guided by our vision and values.

Comprehensive policies are in place to ensure transparency and accountability. All employees, from the leadership to the shop floor, are woven in a culture of ethics and integrity. This has resulted in an organisation which is not only responsible to the shareholders, but also to other stakeholders like community and environment.

Our corporate governance philosophy values the following principles:

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

To ensure that these principles translate into consistent practice, the below enablers lead us towards high standards of business conduct.

**Leadership**

Our board of directors bring forth an international perspective with global best practices and rich experience combined with the strength of entrepreneurship. The leadership drives sustainable growth consistent with integrity and accountability.

**Board Committees**

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

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Corporate Governance & Ethics Committee

**Code of Conduct & Policy**

At Sun Pharma, means are as important as the end. We enable our employees to thrive through fair means detailed in our Code of Conduct. Along with the code, various policies on significant subjects are designed to cover all areas of operations.

We are continuously and consistently raising the bar on our commitment to the best standards of governance. We also actively solicit feedback from all our stakeholders on our business conduct and keep our code and policies updated. In the reporting year, we received 1 stakeholder complaint, which was resolved satisfactorily.

**Principle 2: Product Life Cycle Sustainability**

Being in the healthcare industry, our primary purpose is to meet the health-related needs of the patients. Equally important though is the well-being of our ecosystem - the society and the environment. So, we not only work to make our products more affordable and accessible, we also take steps to serve the community and minimise our impact on the environment.

**Affordable Access**

When disease strikes, it doesn't differentiate between the wealthy and the needy. The research capabilities and scientific advancements have resulted in finding treatments for majority of diseases, but the price of medication makes it beyond the means of majority of people. As one of the leaders in the generics segment of the global pharmaceutical industry, our endeavour is to make good health, affordable and accessible for all.

We produce and deliver affordable, high quality, WHO pre-qualified, generic Antiretroviral products to various governments and NGOs around the world to fight HIV/AIDS. Other than making drugs affordable in order to improve access, we also provide some life-saving medicines free of cost.

Some of our products that have broken the affordability and accessibility barrier include:

- Rilutor (Riluzole): Used for treating Amyotrophic Lateral Sclerosis (a life-threatening disease), this product 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

**Empowering Communities**

While we continue to make our products accessible and affordable to more people, we also consistently work to uplift our neighbouring communities. By sourcing local labour and material, we empower the community surrounding our manufacturing plants. This not only gives them a bigger opportunity to work in, 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.

**Enriching Environment**

Nature sustains life; it must be nurtured for a better quality of life. At Sun Pharma, we are fully committed to achieving excellence in Environment, Health & Safety (EHS) and conduct our activities in the most responsible manner. Our EHS policy provides for the creation of a safe and healthy workplace, and a clean environment for employees and the community.

Our initiatives include manufacturing products safely and in an environmentally sustainable manner, cultivating a culture of conservation and aiming for the highest international standards in our operations.

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:**

API: 3,496 ton

Formulations: 21,491 Million units

**Water usage:**

3,211,051 KL

**Energy Usage:**

Electricity (kWh)	445,793,100
Gas (in '000 nm3)	10,984
Furnace Oil (MT)	8,822
HSD (L)	1,398,400
Briquette (MT)	65,393

**Principle 3: Employee Well-being**

Employees are core assets and thereby vital to the success of any organisation. At Sun Pharma, we empower our employees by providing them a safe workplace, progressive policies, growth opportunities and learning options, thereby creating an environment where their personal and professional goals merge to deliver exceptional outcomes.

One of the significant enablers of our global workforce is active engagement. We provide them with platforms where they can express themselves resulting in transparency, camaraderie and feedback. By addressing their concerns, people managers add the power of the employees to the inherent strength of the company. This results in a motivated workforce, lesser attrition, enhanced productivity and better quality.

Our all-encompassing HR policy covers all the aspects, right from recruitment to retention leading to an overall development of our employees. Based on the feedback received, the HR policy keeps evolving. The key tenets of the policy are:

**Employee Engagement**

One of the significant enablers of ensuring employee wellbeing is active engagement. Several two-way communication platforms are in place for employees to express themselves, know more about the organisation as well as raise queries and concerns. Employee feedback is promptly solicited by us at Sun Pharma.

**Continuous Learning**

Knowledge is a key differentiator in our business. Continuous learning is thus imperative to remain ahead in the league. We offer various development opportunities to our employees which are customised as per the need of the individuals and their functions.

We have an in-house competency development mechanism as well as support external capability enhancement.

**Equality of Opportunity**

At Sun Pharma, merit is the only prerequisite to growth. We celebrate diversity and discourage bias, discrimination and harassment. We nurture diversity by encouraging a fine amalgam of talent from different age groups, genders, castes, domains, religions, cultural backgrounds etc.

As of March 31, 2019, we had a total workforce of 32,000+ people in India, including permanent, temporary and contractual employees, of which 1,419 were women employees and 13 were employees with disabilities.

**Freedom of Association**

We have always encouraged employees to communicate, whether individually or by forming an association. 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

Wellness of the workforce is given pivotal importance at Sun Pharma. Our robust Environment, Health and Safety (EHS) policy and operating guidelines ensure a safe and healthy environment. We have been progressively establishing ISO 14001:2015 compliant Environmental Management System and OHSAS 18001:2007/ISO 45001:2018 compliant Occupational Health and Safety Management System at our key manufacturing facilities.

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 41% of our employees, including 34% of women employees.

We encourage reporting of accidents, injuries and near misses, which enables us to be better prepared in the future. Safe work practices are endorsed, and the usage of unsafe equipment is disallowed.

Key ingredients of our occupational health and safety approach:

- Safe Working Systems
- Use of Personal Protective Equipment (PPE)
- Safety Inspections & Audits
- Emergency Preparedness
- Safety Risk Management

### Recognition & Recreation

Recognition and recreation are crucial to motivate the employees to perform to the best of their potential. We have developed specific programmes to reward talent.

Recognition is given to employees for exceptional performance through various recognition schemes. Regional and functional awards facilitate the acknowledgement of employees' involvement and inputs towards the realisation of goals.

Some of the other modules of employee recognition and recreation 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

### Sun Pharma Excellence Awards

In our constant endeavour to promote young pharma talent, we recognise top academic performers through the Sun Pharma Excellence Award Programme. This honour is given to final year students of the MBA in Pharmaceutical Management programmes in various institutes. We are also committed to hire exceptionally talented people from the campus and nurture them professionally.

### Principle 4: Stakeholder Engagement

An underlying principle of stakeholder engagement is that stakeholders have the chance to influence the decision-making process. We have a comprehensive engagement mechanism in place to have a consistent and transparent dialogue with all our stakeholders.

In-built in this process of interaction, is the repository of responses from internal as well as external stakeholders, which helps us in streamlining our policies, processes and products. A continuous communication over a period also builds relationship, trust and understanding with the stakeholders.

The three pillars of our engagement mechanism with our stakeholders are 'inclusivity', 'accountability' and 'responsibility'.

#### Inclusivity

We believe in including all our stakeholders whether minor or major, internal or external, who has an impact, direct or indirect, on our business. Already identified, some of the key stakeholders include:

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

#### Accountability

We are answerable to our stakeholders and this accountability leads to integrity. Consistent information is provided, and a considered response is sought, leading to a meaningful communication and fruitful collaboration. Some of the major platforms we use are:

- 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

Stakeholders are the ones who fuel our sustenance and are also the ones who are impacted by our business. We therefore act as an instrument to responsibly balance the interests of all of them.

Careful consideration is given to those who need more resources to uplift themselves. Initiatives are designed to continuously and consistently provide more amenities and opportunities to them.

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

### Principle 5: Human Rights

All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.

We adhere to this principle regardless of the nation, location, language, religion, ethnic origin or any other status of any person. Our all-encompassing Human Rights Policy covering various tenets ranging from freedom of association to freedom from harassment, applied across our operations is testimony to our commitment.

Our actions emanating from these policies speaks 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. 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. However, we did receive three complaints related to sexual harassment during the year, which have been resolved.

### Principle 6: Environment

The focus on economic development alone has led us to a point where we are staring at scarcity of natural resources, clean air, fresh water and rich biodiversity. At Sun Pharma, we are vigilant of the emerging situation and are acting in a manner so as to change this narrative.

By investing in energy efficiency and reducing our consumption, we are not only making environmental sense, but also economic sense. We have embraced an all-encompassing Environment, Health & Safety (EHS) policy which etches out our concerns as well as the roadmap to resolve them.

Summarised below are our green must dos:

- Ensure statutory compliance
- Optimise natural resources
- Effect continuous improvement in environment management
- Innovate greener technologies and processes
- Spread green awareness across internal and external stakeholders

We also engage with the concerned authorities and industry in devising responsible laws, regulations and standards. Some of our key material concerns include:

#### Waste Management

Systematic processes (SOPs) are in place at Sun Pharma to ensure effective waste management. With equipment installed at all our major facilities for recycling of the treated

effluent, we have achieved the status of zero liquid discharge at majority of our facilities. Some of the SOPs include:

- Waste production is minimised at the source itself
- Waste materials including solvents, waste water, glass, plastic liners, fibre drums, metal drum sheets, HDPE sheets and waste oil are recycled. Initiatives consist of setting up effluent treatment plants, recycling through registered recyclers and engaging scrap vendors for materials like paper, plastic and HDPE. Seventeen of our units are Zero Liquid Discharge (ZLD) facilities, while 5 are in the process of obtaining the status
- Well-equipped solvent recovery systems enable us to recycle recovered solvents
- We ensure safe and responsible waste disposal as per Govt. norms and at Govt. approved sites

#### Energy Conservation

Reduction in energy consumption directly and positively impacts environment protection. It not only reduces the need for energy, lowering resource depletion, and thus benefitting the environment, but also reduces operational costs making economic sense as well.

At Sun Pharma, we are evaluating and implementing all available avenues to conserve as much energy as possible and reduce the environmental burden. These options broadly can be classified into two categories - using energy efficiently in manufacturing processes and tapping technology to generate green energy.

#### Greener Operations

A host of initiatives were undertaken to reduce the consumption of energy in our processes. This was achieved through optimising the systems at various points of different sites, some of which are:

- Use of energy efficient motors
- Enhancement of steam condensate recovery
- CFL lamps replaced with LED bulbs in a phased manner
- Usage of condensate water in boiler
- Phase-wise installation of PHE (Plate Heat Exchanger) undertaken by replacing the conventional hot water tanks
- Introduced motion sensors for air curtains
- Optimisation of water evaporation, hence, reduction in water consumption and simultaneous reduction in power consumption
- Installation of energy efficient equipment, such as Coating Dry Scrubber, Variable Speed Drive (VSD) air compressor and Air Handling Unit (AHU)
- Boilers fitted with economiser coils which help in preheating boiler feed water, which in turn reduces the fuel consumption
- Increase in condensate recovery

- Heat recovery from flue gases used to generate hot water
- Replacement of cooling tower and pump to save power
- Installation of heat pump to save steam
- Reduction in ceiling height to save power and fuel
- Motion sensors (electricity) installed to reduce energy consumption in close areas

**Greener Investments**

We are committed to generate more green energy to reduce our dependence on fossil fuels. Our investments, especially in the area of wind energy, are testament of our conviction. In FY19, we generated around 2.05 Million kWh of clean energy.

**Carbon Emission**

Various projects are 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 12 facilities equipped with the biomass fuelled boilers, with a total steam generation capacity of 110 tph.

As of March 31, 2019, there were no pending notices from pollution control boards.

**Principle 7: Policy Advocacy**

In an ever-evolving world of pharmaceuticals, where change in business policies can affect human lives, it is imperative that we have a consistent engagement with all the stakeholders who can have an impact on policy making.

As we are focussed on making affordable medicines accessible, we share our invaluable experience and leverage our leadership position to provide incisive insights and detailed inputs to key decision makers in planning better policies for the patients. We also learn from the best practices of others. Along with collaborations with various trade and industry associations, we are also members of:

- Indian Drug Manufacturing Association (IDMA)
- Indian Pharmaceutical Alliance (IPA)
- Bombay Chamber of Commerce and Industry
- Confederation of Indian Industry (CII)
- Pharmaceutical Export Promotion Council of India (Pharmexcil)
- The Associated Chambers of Commerce of India (ASSOCHAM)

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

**Principle 8: Equitable Development**

Equitable development is key to long-term progress. At Sun Pharma, we strive to ensure a better quality of life for the community while contributing towards a healthy world. All our social efforts stem from our well-articulated Corporate Social Responsibility (CSR) policy and focus on some of the key priorities of the communities, which include:

- Healthcare
- Education
- Safe Drinking Water and Sanitation
- Environment Conservation
- Infrastructure and Rural Development
- Disaster Relief

The programmes range from large-scale, long-term projects to one-off need-specific initiatives, aimed towards touching the lives of those who are socio-economically marginalised and opportunity-challenged. The total CSR expenditure for the FY19 was ₹39.36 Million. Illustrated below are some of the key initiatives undertaken during the financial year FY18-19:

**Healthcare**

We implemented various healthcare programmes with the objective of offering up-gradation in health infrastructure to benefit the community on a sustained basis and in priority areas.

**Distributing Medicines**

Being in the healthcare industry, we directly support the socio-economically challenged sections of the society by providing medicines. Some of the beneficiaries include:

- Financially challenged patients continue to gain our assistance in the form of free-of-cost medicines. In the reporting period, we continued to dispense free Riluzole which is used in the treatment of Amyotrophic Lateral Sclerosis (a life-threatening disease) to all patients

**Mobile Medical Unit**

Mobile Medical Units cater to the primary healthcare benefits of the targeted beneficiaries at their doorstep. The project is implemented with the help of Sun Pharma Community Healthcare Society and HelpAge India. The project primarily focusses upon the reduction of maternal and infant mortality rate. It also emphasises on improving health of adolescent girls, prevention and control of communicable and non-communicable diseases, and awareness regarding HIV / AIDS within the community.

This is an ongoing project and saw an investment of ₹21.61 Million during FY19. The mobile medical vans under this programme are serving the population of Halol, Ahmednagar, Karkhadi, Panoli, Ankleshwar, Madhurantakam, Mohali, Dewas, Toansa, Malanpur and Paonta Sahib. Under this project, 147,611 beneficiaries were provided clinical



treatment, whereas 78,255 patients benefitted under preventive and promotive healthcare services.

#### Healthcare Programme

We support health service providers by providing health-related equipment, maintenance of health centres and medicine support for socio-economically challenged sections of the society. This project is being carried out in the rural areas of Halol and Toansa.

Under this programme, we invested ₹0.37 Million for above mentioned activities at Toansa and Halol. This programme has benefitted more than 2,240 patients.

#### Education

Quality education to the underserved and under-privileged children of the rural remote areas is our key intention.

We have extended our efforts to improve the educational standards through ensuring basic educational facilities in rural areas such as infrastructure upgradation, computer training to students, model school development project, provision of potable drinking water for the students, distribution of stationary / books, celebration of school-based activities etc.

This project was implemented at Ahmednagar, Karkhadi, Halol, Ankleshwar, Madhurantakam, Panoli, Silvassa, Malanpur, Toansa and Dewas and has benefitted more than 11,821 students with an investment of ₹5.45 Million during FY19.

#### Safe Drinking Water and Sanitation

Individual health & hygiene is largely dependent upon the availability of safe drinking water, proper sanitation habits, and availability of toilets with adequate water supply.

#### Sanitation Project

We have constructed individual household toilets for communities based at Halol, Silvassa, Ahmednagar and Madurantakam locations. Under the programme named Swachachhta Pakhwada, we also emphasised upon IEC (Information, Education and Communication) activities considering that only the construction of toilets is not enough, but there is a requirement to organise awareness programmes to spread the message of cleanliness and hygiene for leading a healthy life.

The project was undertaken with an investment of ₹5.42 Million during FY19 for the construction of individual household toilets, and its sanitation and cleanliness drive programme. During this financial year, we have constructed 216 individual household toilets under this programme.

#### Drinking Water Project

The drinking water project was implemented in Toansa and Panoli villages with an aim to provide safe drinking water to the communities.

This ongoing project saw an investment of ₹0.46 Million. It included the community water project at Bhadi village in Bharuch and running deep bore well at village Toansa. 125 households were provided with clean and potable drinking water in upper and lower Toansa.

#### Water Conservation Project

Under the flagship Scheme of the Government titled as 'Sujalam Sufalam Yojana' which focusses upon water conservation during rainy season, we have implemented water conservation project to increase the availability of water in rural areas where local villages & communities depend upon local water bodies like ponds and ground water for survival.

This project was undertaken with the collaboration of Government of Gujarat and was implemented for community benefits at Ankleshwar, Panoli, Karkhadi and Halol with an investment of ₹1.62 Million during FY19.

#### Environment Conservation

Environment conservation is important to reduce the degradation and exploitation of natural resources including flora and fauna. The activities that were implemented under this project were:

- Roadside tree plantation
- Distribution of saplings
- Awareness generation programme within the community on the importance of tree plantation
- Celebration of Environment Day in schools

This project was implemented with an investment of ₹1.86 Million during FY19 in Ahmednagar, Madurantakam, Panoli, Paonta and Toansa.

#### Infrastructure and Rural Development

Good infrastructure is a gift that keeps on giving benefits for a long time. We focus on rural infrastructure upgradation support. This year we supported the installation of traffic signal lights in Ahmednagar, installation of solar lights in Halol, provision of LPG connections for Anganbari Centres at Madhurantakkam, infrastructure upgradation of community kitchen area in Dahej and playground development at Panoli.

All the above-mentioned activities were implemented with an investment of ₹1.53 Million during FY19.

### Disaster Relief

We support relief measures in emergencies. During the flood related disaster that took place in Himachal Pradesh, we supported by providing funds for immediate relief to communities residing near flood affected areas.

Similarly, flood affected people in Tamil Nadu were also supported under this cause. The total relief amount donated for the benefit of the affected communities during FY19 was ₹1.00 Million.

### Principle 9: Customer Value

All our policies and processes finally transform into products for the customer, making them our key stakeholder. Spread globally, our customers' well-being is our focus and we intend to offer value to them through multi-pronged ways. 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

### Improving access to medicines

New cures and remedies are of no use to the people, if the cost of those medicines is prohibitive. With improving mortality rates, the need for specialty medicines have increased, but its affordability is a challenge. We are trying to put our efforts in overcoming this challenge.

Another space we are investing in, is to make these affordable medicines accessible to a larger footprint. We continue to expand geographically serving more than 100 countries catering to local treatment needs with our global portfolio of ~2,000 products.

### 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 global pharmaceutical company, 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, which also complies 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 the Code of Conduct.

#### Receive:

Our constant engagements provide 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 ten years, no material case regarding dishonest trade practices or irresponsible advertising have been filed against Sun Pharma by any stakeholder.