

## INDEPENDENT ASSURANCE STATEMENT

### Scope and Approach

DNV Business Assurance India Private Limited has been commissioned by the Management of Sun Pharmaceutical Industries Limited (Corporate Identity Number L24230GJ1993PLC019050, hereafter referred as 'the Company') to carry out an independent assurance of the qualitative and quantitative disclosures related to sustainability performance in the digital formats of its Sustainability Report 2022-23 ('the Report') as well as referenced information in its Annual Report, the Company's website and other publicly available documents. The Sustainability Report is prepared by the Company in reference to Global Reporting Initiative (GRI) Sustainability Reporting Standards 2021 and its revisions ('GRI Standards'), for the financial year ending 31<sup>st</sup> March 2023

We performed a limited level of assurance based on our assurance methodology DNV's VeriSustain<sup>TM1</sup>, which is based on our professional experience, international assurance best practices including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised\* and the GRI Principles for Defining Report Content and Quality. In doing so, we evaluated the quantitative and qualitative sustainability performance disclosures presented in the Report for the activities undertaken by the Company during the reporting period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023. Our assurance engagement was planned and carried out during April 2023 – August 2023.

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

The Management has the sole responsibility for the preparation of the Report and are responsible for all information disclosed in the Report as well as the processes for collecting, analysing and reporting the information presented within the Report and references in the Company's website. The Company is also responsible for the maintenance and integrity of its website containing the sustainability-related disclosures referenced within the Report. In performing this assurance work, our responsibility is to the Management; however, this statement represents our independent opinion and is intended to inform the outcomes of our assurance to the stakeholders of the Company.

We have not provided any other services in 2022-23 to the Company which in our opinion, would have constituted a conflict of interest with this assurance work. Our assurance engagement is based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith and free from material misstatements.

### Scope, Boundary and Limitations

The reporting scope and boundary encompasses environmental, social and governance performance of Sun Pharma as described in the Report in the sections 'About the Report', 'Annexure of Reporting Boundary' and 'Materiality', and includes economic, environmental and social performance related to operations of Active Pharmaceutical Ingredients (API)(13), Formulation: Sun Global Operation (SGOs)(20), and Research and Development (R&D) Centres (5).

The assurance engagement considers an uncertainty of  $\pm 5\%$  based on materiality threshold for estimation/measurement errors and omissions. We did not engage with any external stakeholders as part of this assurance engagement.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement. The reported data on economic performance, expenditure towards Corporate Social Responsibility (CSR) activities, and other financial data are based on audited financial statements issued by Sun Pharma's statutory auditors which is subject to a separate audit process. We were not involved in the review of financial information within the Report.

### Basis of our Opinion

We planned and performed our work to obtain the evidence considered necessary to provide a basis for our opinion for a limited level of assurance based on DNV's VeriSustain. We adopted a risk-based approach, that is, we concentrated our efforts on the issues of high material relevance to Sun Pharma. As part of the process, a multi-disciplinary team of sustainability and assurance specialists reviewed sustainability disclosures related to the

<sup>1</sup>The VeriSustain protocol is based on the principles of various assurance standards including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the GRI Principles for Defining Report Content and Quality, international best practices in verification and our professional experience; and is available on request from [www.dnv.com](http://www.dnv.com)

# Assurance Statement (continued)



Company's operations with the management teams and data owners at the Company's Corporate Office in Mumbai and sample facilities in India. We undertook the following activities:

- Review of the approach to materiality determination and stakeholder engagement, and the outcomes as stated in the Report. We did not have any direct engagement with external stakeholders.
- Reviews of the draft and final versions of the sustainability report.
- Verification of the information and claims made in the Report, and assessment of the robustness of the data management system, data accuracy, information flow and controls for the reported disclosures. We examined and reviewed supporting evidence such as documents, data and other information made available by the Company related to the disclosures made in the Report, along with the Company's protocols for how the data was measured, monitored, recorded and reported.
- Review of the management approach disclosures related to identified material topics through interviews with selected senior managers responsible for devising and implementing sustainability strategies. We were free to choose interviewees and interviewed those with overall responsibility to deliver the Company's sustainability objectives.
- Onsite verification at sample Active Pharmaceutical Ingredients (API), Formulation: Sun Global Operation ( SGOs), and Research and Development (R&D) Centers, that is, Halol and Dahej in Gujarat; Ahmednagar, Maharashtra, Sikkim, Gurgaon in Haryana and conducted remote assessment for South Africa; including review of the processes and systems for preparing and consolidating site-level sustainability data in line with the principles of reliability, accuracy and completeness. We were free to choose sites for conducting assessments on the basis our risk-based approach; and,
- An independent assessment of the Report against the requirements of the GRI 2021 standards.

## Opinion and Observations

On the basis of the verification undertaken, nothing has come to our attention to suggest that the Report does not properly describe the Report's adherence to the GRI Standards 2021 including the GRI 2: General Disclosures, GRI 3: Management Approach and disclosures related to the following GRI Topic-specific Standards which have been identified by the Company to bring out its performance against its prioritised material topics.

- GRI 201: Economic Performance 2016- 201-1
- GRI 204: Procurement practices 2016- 204-1;
- GRI 302: Energy 2016 – 302-1, 302-2, 302-3, 302-4, 302-5,
- GRI 303: Water and Effluents 2018 – 303-1, 303-2, 303-3, 303-4, 303-5;
- GRI 305: Emissions 2016 – 305-1, 305-2, 305-3, 305-4; 305-5, 305-6, 305-7;
- GRI 306: Effluents and Waste 2020- 306-3;306-4; 306-5
- GRI 307: Environmental Compliance 2016- 307-1;
- GRI 401: Employment 2016- 401-1, 401-2, 401-3
- GRI 403: Occupational Health and Safety 2018- 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10;
- GRI 404: Training and Education 2016 – 404-1, 404-2, 404-3;
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1, 405-2;
- GRI 406: Non-discrimination 2016- 406-1;
- GRI 407: Freedom of Association and Collective Bargaining 2016- 407-1;
- GRI 408: Child Labor 2016- 408-1;
- GRI 409: Forced or Compulsory Labor 2016- 409-1 ;
- GRI 412: Human Rights Assessment 2016- 412-1, 412-2;
- GRI 413: Local Communities 2016- 413-1, 413-2;
- GRI 416: Customer Health and Safety 2016- 416-1, 416-2;
- GRI 417: Marketing and Labelling 2016- 417-1, 417-2;
- GRI 419: Socioeconomic Compliance 2016- 419-1.

*Note: Scope 3 emissions reported as part of GRI 305-3 include emissions due to purchased goods and services, employee commute, business travel, Upstream transportation and distribution, Downstream transportation and distribution, Fuel and Energy related activities, Waste generated in operations.*

Without affecting our assurance opinion, we provide the following observations against the principles of VeriSustain:

### **Materiality**

*The process of determining the issues that is most relevant to an organization and its stakeholders.*

The Report brings out the materiality determination and review exercise carried out by Sun Pharma to identify key topics which impact the Company and its stakeholders; the exercise included identification of topics based on industry trends, internal targets and risks. Further, Sun Pharma has prioritized material topics for disclosure in the Report based on inputs and requirements from cross-functional internal and external stakeholders while considering the Company's value drivers.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.**

### **Stakeholder Inclusiveness**

*The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.*

The Report brings out the processes for identification, as well as modes and frequencies of engagement with key internal and external stakeholders, that is, employees, suppliers, shareholders and investors, communities and non-governmental organisations (NGOs), senior leadership, regulators and B2B customers. The stakeholder engagement process includes identification of key concerns for significant stakeholder groups through formal and informal mechanisms.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.**

### **Responsiveness**

*The extent to which an organization responds to stakeholder issues.*

The Report articulates the Company's responses to the stakeholder engagement processes carried out by the Company, as well as the approaches and performance related to identified material topics through GRI topic-specific Standards. The Company has further linked its material topics to its overall strategies, management approach and goal setting processes, as well as future challenges of the healthcare business.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.**

### **Reliability**

*The system for maintaining the quality of underlying sustainability disclosures and performance management systems including the accuracy and comparability of information presented in the Report*

The Report brings out the processes that company has established towards capturing and reporting its performance related to its identified material topics considering the requirements related to the principles of Reliability and Accuracy. The majority of data and information verified through our onsite assessments with Sun Pharma management teams and data owners at the sites sampled by us as part of our assurance engagement within the boundary of the Report were found to be fairly accurate and reliable. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed for correctness.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.**

### **Completeness**

*How much of all the information that has been identified as material to the organisation and its stakeholders is reported.*

The Report brings out the Company's sustainability performance related to its prioritized material topics and reporting boundaries for the reporting period through appropriate GRI Topic-specific Standards. The Company is in the process of strengthening its existing systems and processes towards completely bringing out disclosures where information was not available, and this has been explained within the Report as exclusions.

**Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.**

### **Neutrality**

*The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.*

The Report articulates disclosures related to the Company's sustainability performance for prioritized material topics including key risks, opportunities and challenges faced during the reporting period in a neutral tone in terms of the content and presentation, while applying consideration to not unduly influence stakeholders' assessments made based on the reported disclosures.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.**

# Assurance Statement (continued)



## Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct<sup>2</sup> during the assurance engagement and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

For DNV Business Assurance India Private Limited

<b>Lankalapalli, Bhargav</b> Digitally signed by Lankalapalli, Bhargav Date: 2023.08.17 14:48:22 +05'30' Bhargav Lankalapalli Lead Verifier DNV Business Assurance India Private Limited, India	<b>Kakaraparthi, Venkata Raman</b> Digitally signed by Kakaraparthi, Venkata Raman Date: 2023.08.17 15:02:42 +05'30' Venkata Raman Kakaraparthi Technical Reviewer DNV Business Assurance India Private Limited, India.
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17<sup>th</sup> August 2023, Mumbai, India.

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

<sup>2</sup> The DNV Code of Conduct is available on request from [www.dnv.com](http://www.dnv.com)