

C O D E

OF BUSINESS CONDUCT ✓

THE BLUE BOOK





MESSAGE FROM CMD



Dear Colleagues,

One of the vital aspects of an ever-flourishing company is how it conducts its business. At Granules, integrity is one of the fundamental values to be lived while we work.

It has been almost three decades that our company is engaged in providing collaborative and strategic partnership to global pharmaceuticals leaders by producing the best quality APIs & FDs through manufacturing excellence. Thus, each of us should take the responsibility to understand and abide by various applicable laws and regulations that govern our business. This Code of Business Conduct (Granules 'Blue Book'), must be read thoroughly and put into

action by all employees while discharging their duties. It lays the basic foundation for all our Business Conduct while dealing with the world at large.

I encourage you all to continue your commitment to integrity, safety, quality, sustainability and high compliance culture, even when no one is monitoring.

We stand together committed to build an ethical workplace for all our stakeholders and communities we serve. This is the essence of being a sustainable company.

Thank you for your continuous support!

- Krishna Prasad Chigurupati

Ethics is knowing the difference between what you have a right to do and what is right to do.

— **Potter Stewart**



OUR VISION

To be the global leader in pharmaceutical manufacturing by process innovation and unparalleled efficiencies.



VISION
&
MISSION

OUR MISSION

Our drive to be the best is unparalleled. We will match our drive by partnering with global leaders in our markets, building lasting relationships, and the foundation for mutual growth and success.





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OUR CODE

- 
- a. Preamble:
Conduct of
Business
 - b. Scope &
Application

a. Preamble: Conduct of Business

This Blue Book or Code of Business Conduct is a guide to Granules compliance structure and standards. It is designed to help us lead our business behaviour and provide practical guidance. It comprises of various corporate policies and procedures that govern doing business in a legal and ethical manner. This Code aims to reinforce our values and promote trust amongst various stakeholders in the company.

This Code of Conduct refers to our vision and expresses Granules' expectation from its employees and other stakeholders, including employees at subsidiaries, trainees, contractors and consultants. Therefore, we all are required to read and imbibe this Code of Business Conduct & Ethics and follow it in letter and spirit.

Adherence to the Code, company's policies, applicable laws and regulations is a condition of employment, engagement, and retention of all personnel.



Ethics require that we always exercise honesty, integrity and accountability in every dimension of our work. Thus, in case of ambiguity about how to comply with them, please seek guidance from your manager or Human Resources or Compliance team. Employees are also responsible to watch for potential violation of this Code of Business Conduct and Ethics and to report them, whether they occur inside the Company or through external dealing. Refer to the dealing with Code violation in the subsequent section of this Code.

This Code applies to the following

- Board Members & Management Committee / Key Management Personnel.
- It includes all individuals on full-time or part-time employment with the Company, with a permanent, probationary, trainee, retainer, temporary or contractual appointment.
- Consultants, Contractors, Trainees, our Subsidiaries, Service Provider of our Company.

Code extensive but not exhaustive - The nature of this Code of Business Conduct and Ethics is extensive but not exhaustive and, thus, is not meant to cover all possible situations that may occur.

Process Owner - The process owner of the Code of Business Conduct is the Compliance Officer.

b. Scope & Application



OUR PEOPLE



- a. No Discrimination & Harassment
- b. Equal Opportunity Employer
- c. Workplace Responsibility

All the employees are expected to be familiar with the Code, applicable policies and regulations related to their role and follow them all the time.



a. No Discrimination & Harassment

- At Granules, we ensure to provide a safe and conducive work environment where each individual is treated with respect and dignity.
- We also respect the personal dignity, privacy and personal rights of everyone and are committed to maintain a workplace free from any discrimination and harassment.
- Individuals, who engage in acts of harassment or discrimination are subject to disciplinary action that may include termination of employment.

Harassment Includes – verbal, visual or physical conduct with the purpose or effect of creating an intimidating, hostile or offensive work environment or unreasonably interfering with an individual's work performance; or otherwise adversely affects an individual's employment opportunities.

Please refer to our policy on '**Prevention of Sexual Harassment Policy**' for further details.



b. Equal Opportunity Employer

- We are an 'Equal Opportunity Employer' and do not discriminate anyone on the grounds of race, religion, nationality, ethnic origin, colour, gender, age, citizenship, sexual orientation, veteran status, marital status or any disability not affecting the functional requirements of the position held.
- We are dedicated to ensure the fulfilment of this policy with respect to hiring, discharge, compensation, promotion, classification, training, apprenticeship, referral for employment, or other terms, conditions and privileges of employment.
- We treat each other with respect and dignity.

c. Workplace Responsibility



No Drug & Alcohol Abuse

We prohibit the possession and use of illegal drugs / narcotics substance / alcohol on our premises. No employee may report for work, go on or remain on duty while under the influence of, or impaired by, alcohol or illegal drugs or substances. Violation of this policy will result in disciplinary action, up to and including termination of employment.

Dangerous Device

No person shall possess a weapon of any kind or other dangerous or hazardous device or substance in the workplace leased or owned facilities by Granules, unless legally authorized to do so and only with the prior written approval from concerned authorities.





OUR COMMUNITY

- 
- a. Environment, Health & Safety
 - b. Human Rights
 - c. Media Communication, Public & Governmental Inquiries
 - d. Political Activity & Contribution

a. Environment, Health & Safety



- We are committed to sustainable development and maintain high standards of health and safety at the workplace and are sensitive to protection of the environment at large by responsible management of waste.
- We carry our operations in a manner that does not cause any adverse harm to the people or damage to the environment or the communities in and around our workplaces. We comply with applicable laws and regulations with respect to Environment, Health & Safety.
- Employees are provided training to make them familiar with applicable Health and Safety guidelines and report any unsafe conditions or acts or accidents to the authority concerned in the company.

Please refer our Environment, Health & Safety (EHS) Policy for more details.

b. Human Rights

- We conduct our business in a manner that abides by human rights and dignity of people.
- Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression and many more. Everyone is entitled to these rights without discrimination.
- We respect all employment and immigration laws and do not allow engagement of any form of forced labour and child labour.

c. Media Communication, Public & Governmental Inquiries



- We ensure our external communication to the media, shareholders, financial analysts or government authorities are accurate and through authorised representatives only.
- No employee shall, without the express consent of the management or competent authority, call for press meets, brief the media or speak to the media or participate in discussions and forums.
- We comply with the requirements of regulatory authorities about how and when we disclose information.
- One should notify the Company Secretary in case of inadvertently disclosing any material non-public information with respect to our company.

d. Political Activity & Contribution



- No employee shall involve in any political activity, directly or indirectly and shall not canvass for any political party or candidate.
- We must ensure not to use company's fund or other resources to support any political candidate or party, unless such contribution is expressly permitted by law and has been authorised by the resolution passed by the Board of Directors of the Company. Our personal political views and actions do not harm company's brand image in any manner.
- Any granules employees who contest in an election for any public office, may do so after informing the organisation's concerned authority - Chairman & Managing Director.
- Further, if elected to the post, the employee has to resign from the services of Granules Group to pursue his / her public or political career.





OUR PARTNERS



- a. Anti-Bribery & Anti-Corruption
- b. Anti-Money Laundering
- c. Conflicts of Interest
- d. Antitrust or Competition Laws & Regulations



a. Anti-Bribery & Anti-Corruption

To be competitive in the global market place, it is important to thoroughly understand the present and potential

customers, suppliers and regulations while referring to the information available in the public domain. The below description is to detail how to conduct ourselves ethically while dealing with various partners.

Bribes and improper payments - An Employee cannot solicit, encourage or actually receive any bribe or other payment, contribution, gift or favour that could influence our or another's decision. While what is viewed as a bribe in one country may be acceptable in another, thus we are expected to comply with this Code.

Gifts: Giving or receiving gifts and entertainment can potentially affect objectivity and judgment, and may breach bribery and corruption laws & regulations. We must not be influenced by receiving favours, nor shall try to improperly influence others by providing favours.

However, gifts, meals, services and entertainment are acceptable and comply with this Code if they show transparent intention behind the gift / entertainment. Those should be relatively infrequent, not excessive in value for someone and are consistent with customary business practices. Employees should report or take prior approval in case one has received any gift or intent to gift any government official.

Donations to Charities: Corporate donations to a government entity or corporate charitable donations to a nonprofit / non-governmental entity must comply with Granules policy and to be made with prior approval.

b. Anti-Money Laundering

- Money laundering is the process of concealing illegal funds or projecting them as legitimate. We are committed to conduct business only with customers and third parties engaged in legitimate business activities whose funds are derived from legitimate sources and based on underlying contracts / applicable laws.
- We comply with all laws that prohibit money laundering which involves disguising funds derived from criminal or illegitimate activities. Our business transactions do not involve acquiring / holding property through illegitimate means.



c. Conflicts of Interest

- We should avoid any activity involving personal interest that creates, or has the appearance of creating, a conflict between individual interests and the interests of the Company.
- We must identify the potential conflicts when they arise, and notify it to the appropriate manager, or Human Resources representative.
- An activity would be considered a conflict of interest if it has a negative impact on our business interests, image of the company and its relationships.
- We must never compete against the Company's interest. We shall not use Company information, assets or resources for our personal gain or improper benefit of others.
- Do not solicit or accept gifts, favours, loans, or preferential treatment from any person or entity that conducts business or seeks to conduct business with us.



d. Antitrust or Competition Laws & Regulations

- While we compete vigorously, we comply with applicable Antitrust and Competition Laws and Regulations wherever we do business, we believe in free & fair competition; and encourage transparent interactions and transactions.
- We never discuss or recommend / encourage ethical competitors to: Fix prices / bid rigging, share information (about pricing, costs, sale terms, credit terms, customers, promotions), not sell a particular product or service, boycott a particular supplier or vendor.



OUR COMPANY



- a. Protection of Assets & Resources
- b. Accounting, Data Management & Records
- c. Prohibition of Insider Trading
- d. Intellectual Property and Trade Secrets
- e. EXIM Regulations
- f. Data Privacy & Confidentiality

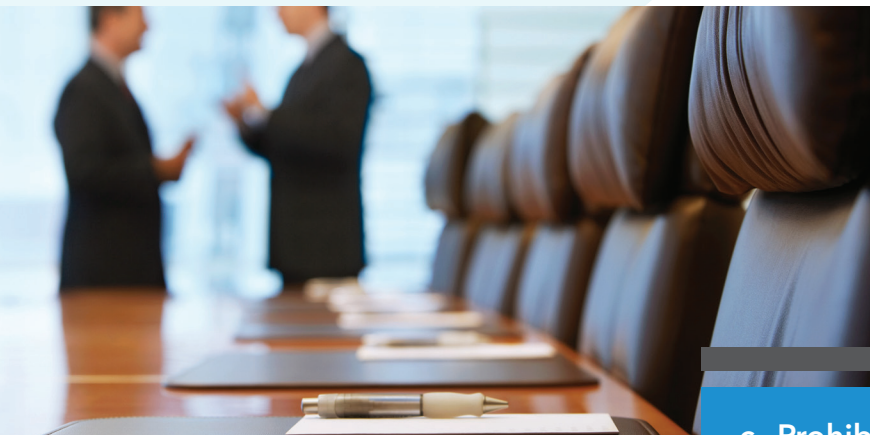
a. Protection of Assets & Resources

- Our assets are highly valuable and are meant for business use only. We all must protect and safeguard company's assets from loss, theft, misuse, damage and waste in order to preserve their value.
- Company assets include both tangible and intangible assets and includes company's premises, work facilities, equipment, instruments, communication & IT systems, financial resources, data and intellectual property.
- We allow conscientious, lawful and professional use of computer, email, messaging, internet and intranet access, mobile phones and other forms of communication systems at our workplace.
- Assets shall never be used for illegal activities and shall not be taken out from our facilities without permission. Upon company's request, the employee must return any and all of its assets in possession.



b. Accounting, Data Management & Records

- Ensure effective business operations, related data and information must be accurately and honestly recorded. No false or fictitious entries shall be allowed, including unrecorded, undisclosed or 'off-the-books' records / accounts for any reason.
Please refer our Data Integrity Policy.
- Employees shall use company's funds and other properties solely for the benefit of the Company. All disbursements must be lawful and consistent with Company's policies.
- Employees will comply with all the legal and regulatory requirements that relates to document and record retention and its disposal as per Company's policies.



c. Prohibition of Insider Trading

- No employee, manager, key managerial personnel including directors should trade in directly or indirectly along with immediate relatives or encourage another person to trade in Granules securities, while in possession of material non-public information.
- Material non-public information may include but not limited to following:
 - A significant change in business operations, projections or strategic plan, financial results.
 - A potential merger, acquisition or restructuring or sale of significant assets.
 - The gain or loss of a major supplier, customer or contract.
 - Introduction of a new significant product or service.
 - A significant pricing change in our products or services.
 - A declaration of a stock split, a public security offering by our company or a change in our dividend policies or amounts.
 - A significant change in senior management or our Board of Directors.

Please refer our '**Code of Conduct for Prohibition of Insider Trading**' for more details.





d. Intellectual Property and Trade Secrets

- All Intellectual, Proprietary Information and Trade Secrets concerning Granules must be protected and not be improperly disclosed, that has been collected or used while conducting our business.
- In addition, confidential or proprietary information learnt while serving our customers and partners, about them are also required to be protected.
- Intellectual Property includes, without limitation: Patents, Trademarks, Know-how, Scientific & Technical Knowledge & Experience, Domain names, Logos, and Company goodwill.
- All rights to any and all intellectual property created or developed by any personnel during the course of working or for the purpose of performing assignment of Granules, or using resources or technology provided by company, shall be solely owned by Granules, unless explicitly prohibited by the law.



e. EXIM Regulations

We ensure to comply fully with all applicable export / import laws, as these laws govern trade between our customers in many countries. In addition, we also comply with all applicable laws of the land prohibiting participation in unauthorised boycotts.






f. Data Privacy & Confidentiality

- Proprietary and confidential information related to business strategy, plans, products and process is critical to the company's competitiveness. We are committed to protect and secure such information against unauthorised use.
- We respect the privacy of every individual, take all precautions and measure as per applicable laws to protect the same. Individual personal information, including medical financial, will not be divulged unless legally required.



ADMINISTERING OUR CODE

- 
- a. Disclosure of Concerns & Fraud Reporting
 - b. How to Raise a Concern / Dilemma?
 - c. Reporting Violation
 - d. Investigation
 - e. Disciplinary Action for Code Violation
 - f. No Retaliation
 - g. Amendments & Certification
 - h. Affirmation Letter



a. Disclosure of Concerns & Fraud Reporting

We are prompt to report in good faith, matters regarding questionable accounting, auditing or disclosure concerns, which may include actions involving:

- Fraud or deliberate errors in the preparation, maintenance, evaluation, review or audit of any financial statement or financial record of Granules Group.
- Deficiencies in, or non-compliance with our Group's accounting policies or internal controls.
- Questionable transactions with customers, vendors, agents & consultants.
- Forgeries or other alterations of documents.
- Billings made higher or lower than normal prices for products or services at a customer's or vendor's request.
- Payments made through intermediaries that deviate from ordinary business transactions.

Fraudulent activities should be reported to any one of the following responsible personnel: Reporting Manager or Supervisor;

CHRO; CFO; Executive Directors / Chairman & Managing Director, Compliance Officer.

Please refer our '**Whistle Blower Policy**' for more details.

b. How to Raise a Concern / Dilemma?

If you believe your conduct or of that of other personnel has violated the Code or any other Company's policy, you have an obligation to report. Granules has zero-tolerance for non-compliant behaviour, and we are totally committed to handle any concern & dilemma related to violation of this Code of Conduct. As a matter of general practice, discuss / report your concern with your manager. In case you are not comfortable reporting a potential violation to your supervisor, you can raise your concern to the Head of Department or Unit HR Manager or Compliance Officer.

c. Reporting Violation

Violation must be reported in good faith. Regardless of the correctness of your interpretation of the facts, Code, applicable law or policy, as long as your report is made in good faith, it will be considered fair. However, filing a false report or with malefice intent is a violation of the Code. Everyone plays an important role in helping us meet the standards reflected in our Blue Book. Thus, promptly report a potential / actual violation of any laws, company policies and the Code to your Manager / Supervisor, Unit HR, CFO or CHRO, Compliance Officer.

Anonymous Reporting

- We have also established another communication channel that employee can use when they want to report violation confidentially and / or anonymously.
- Confidentiality will be maintained to the fullest extent possible and information will only be shared on a 'need-to-know' basis, consistent with the need to conduct an adequate review. Report violation on **email: compliance@granulesindia.com**



d. Investigation

Every concern and report of violation will be promptly and thoroughly investigated by Code of Business Conduct Committee and as per applicable law & procedures. Principle of natural justice will be followed in all cases. Code of Business Conduct Committee comprises of: CHRO, CFO and Compliance Officer. Sexual Harassment related violations will be investigated by Prevention of Sexual Harassment, committee.



Please refer our '**Whistle Blower Policy**' for more details.



e. Disciplinary Action for Code Violation

- Based on the nature and particulars of violation, the investigation committee recommends corrective and preventive action including disciplinary action.
- Failure by any employee or representative to comply with laws or regulations governing Granules business, this Code or any other company's policy or requirement may result in disciplinary action up to, and including, termination and particularly if anyone:
 - Knowingly and intentionally violates law / policy or procedure.
 - Direct others to violates law, policy or procedure.
 - Fail to co-operate in a Company investigation of possible violations.
 - Retaliate against another colleague for reporting a concern or a violation or fail to effectively monitor the actions of subordinates.



of such reports. If you believe you have been subject to retaliation, contact our Compliance Officer.

- We reserve the right to discipline if someone makes an accusation without reasonable good faith / belief in the truth or accuracy of the information or if knowingly provides false information or makes false accusations.

g. Amendments & Certification

Amendments: Granules reserves the right to amend the Code or Policy in its entirety at any time based on change in regulations and business environment.

Certification: Every director & employee must certify that they have read the Code and understood it in content and intent. To their best knowledge they are compliant with the Code and commit to follow the same in the future. The company will provide appropriate guidance on adoption of the Code and the certification process.

f. No Retaliation

- We prohibit any form of retaliation against individuals for the reports made in good faith of alleged violation otherwise co-operate in the investigation

h. Affirmation Letter

To,

The Compliance Officer
Granules India Limited
2nd Floor, 3rd Block
My Home Hub, Madhapur
Hyderabad - 500 081, Telangana India

This is to acknowledge that I have read Granules "Code of Business Conduct". I agree to comply with the code and all related policies & procedures mentioned in the "Blue Book".

I certify that I am not in violation of any of the principles set forth in the Code of Business Conduct nor I am aware of any such violations. I will promptly report / notify any potential violation of which I become aware of, to my supervisor and / or compliance office in accordance with the reporting violation procedure, mentioned in the Code and Whistle Blower policy.

I further acknowledge that it is my responsibility to understand and follow compliance standards and to adhere to the ethical principles outlined in the Code of Business Conduct.

Signature

Name:

Employee Code:

Designation:

Unit / Location:

Date:





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