



Granules Code of Business Conduct for Suppliers

Approved by

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I. PREAMBLE

Granules India Ltd., is a vertically integrated pharmaceutical company engaged in manufacturing of Active Pharmaceutical Ingredients (APIs), Pharmaceutical Formulation Intermediates (PFIs) and Finished Dosages (FDs). Our vision is to be a global leader in pharmaceutical manufacturing by process innovation and unparalleled efficiencies.

The Code of Business Conduct (COBC) 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 in doing business in a legal and ethical manner. This Code aims to reinforce our values and promote trust amongst various stakeholders in conducting business with Granules.

This COBC refers to our vision and expresses Granules' expectation from its Manufacturers/Suppliers/Service Providers/Traders/Consultants/Contractors (hereafter referred to as Supplier(s)), to adhere when conducting business. Therefore, we require all to read and imbibe this COBC and follow it in true spirit.

Adherence to this Code, company's policies, applicable laws, and regulations is a condition for conducting business with Granules. In case of any ambiguity about how to comply with them, please seek guidance from our Compliance team. The nature of this COBC is extensive but not exhaustive and, thus, is not meant to cover all possible situations that may occur.

Concerns shall be appraised to the Compliance Officer.

By Email: compliance@granulesindia.com

By Post: Compliance Officer, Granules India Limited, 2nd Floor, 3rd Block, My Home Hub, Madhapur, Hyderabad – 500 081, India

II. BUSINESS ETHICS

Ethics require that we always exercise honesty, integrity, and accountability in every dimension of our business. All Suppliers are expected to conduct their business in an ethical manner and act with integrity. The ethics elements include:

a) Business Integrity

Suppliers shall uphold the highest standards of integrity and transparency in all their transaction and interactions with Granules and refrain from being involved in any form of corrupt, unethical, or illegal practices.

b) Insider Trading

Suppliers should never share any information to public which would affect the price of Granules securities, while in possession of material non-public information unless they are required under any law or by an order from a competent authority, and in such case they should inform Granules.

c) Fair Competition

Suppliers must comply with all applicable anti-trust laws and regulations and shall conduct business in line with fair competition.

d) Intellectual Property and Trade Secrets

Suppliers shall protect all Intellectual, Proprietary Information and Trade Secrets concerning to Granules and ensure non disclosure of the above mentioned, that has been collected or used while conducting business.

e) Fraud Prevention and Reporting

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

- Deficiencies in, or non-compliance with our Group's accounting policies or internal controls
- Questionable transactions with any of our personnel you interact with
- Forgeries or other alterations of documents
- Payments made through intermediaries that deviate from ordinary business transactions

Suppliers shall follow fraud prevention and reporting program.

f) Whistle blower protection and anonymous Complaints

Suppliers must ensure to have Whistle blower protection policy and any 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 maleficence intent is a violation of the Code. Everyone plays an important role in helping us meet the standards reflected in our COBC. Therefore, promptly report a potential / actual violation of any laws, company policies and the Code to the competent authority in Granules.

g) Conflict of Interest

An activity would be considered a conflict of interest if it has a negative impact on our business interests, image of the company and relationships. Granules expects all employees to be free from actual or potential conflict of interest. Suppliers should avoid any activity involving personal interest that creates, or has the appearance of creating, a conflict of interest with Granules.

Suppliers shall report to compliance team in any situation that may appear as a conflict of interest.

h) Acceptance of Entertainment and gifts

Giving or receiving gifts and entertainment can potentially affect objectivity and judgment and may breach bribery and corruption laws & regulations. Granules' Blue Book for employees clearly emphasis for non-acceptance of gifts and entertainment by Granules employees.

Suppliers are expected not to offer any kind of gifts and entertainment or any other item of value to Granules' employees while conducting business.

The Supplier should be committed to work against all forms of corruption, money, gifts, loans, and rebates of unreasonable value, which are in noncompliance with all applicable laws, rules, and regulations.

i) Animal Welfare

Animals shall be treated humanely with pain and stress minimised if applicable. Animal testing should be performed after consideration to replace animals, to reduce the numbers of animals used or their stress.

j) Accuracy of Business Records

Supplier records (financial and /or operational) must be accurate in all material respects and supplier's management need to ensure the accuracy and transparency of records.

This must be made available on request as per the agreement with Granules.

III.OUR COMMUNITY

III.A. LABOUR AND HUMAN RIGHT

Supplier must conduct business in a manner that abides by human rights and ensure the protection of the human rights of their employees and dignity of people.

a) Child Labour and Young Workers

Suppliers shall not engage any child to work and adhere to State and Central Government

Child Labor Policies and Human Rights policies.

b) Forced Labour:

Suppliers shall abide to all employment and immigration laws and do not allow engagement of any form of forced labour. All your employees must work voluntarily, and workers shall be free to leave work or terminate their employment with reasonable notice.

c) Non-discrimination

Suppliers must respect the personal dignity, privacy, and personal rights of everyone and are committed to maintain a workplace free from any discrimination and harassment.

Suppliers shall not, discriminate or make distinction, exclude, or give preference based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, or marital status, in hiring and employment practices such as applications for employment, promotions, rewards, access to training and in job assignments.

d) Fair Treatment

Suppliers must be committed to a workplace free of harassment and should not threaten workers with or subject them to harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion, verbal abuse or unreasonable restrictions on entering or exiting company provided facilities.

e) Employment Policy

Suppliers are expected to follow Employment policy which is designed to promote full productive and with freedom of choice of employment and to fullest possible opportunity for worker to use his or her skills and endowment in performing the job.

Suppliers shall respect the legal rights of employees to join or refrain from joining worker organizations, such as trade unions.

f) Wages and Benefits

Suppliers must ensure the payment to workers according to the applicable wage laws, including minimum wages, overtime hours and mandated benefits and with principle of equal remuneration for men and women workers for work of equal value.

III.B. ENVIRONMENT, HEALTH AND SAFETY

Suppliers must comply with all applicable environmental regulations and obtain and maintain all required environmental permits, licenses, and registrations. It also includes:

a) Waste and Emissions

Suppliers should have systems in place to ensure the safe handling, movement, storage, recycling, reuse or management of waste, air emissions and wastewater discharges. Suppliers must ensure to prevent accident spills and release to environment.

b) Resource Conservation and Climate Protection

Suppliers are expected to use natural resources in an effective way with minimum impact on environment and climate. This shall be enabled through process design, modification of process, material substitution, conservation and recycling and reutilization procedure without impacting the quality of the product. Suppliers shall engage in climate friendly process and renewable source of energy to reduce power consumption and lessen the greenhouse gas emissions.

HEALTH AND SAFETY

Supplier shall ensure to provide a safe and conducive work environment to their employees and expected to have the Health and Safety Policy/Guideline for their organisations to define, implement and follow Good Health and Safety Practices in compliance with the applicable local and national regulations.

a) Health and Safety Protection of Employees

Suppliers shall identify and protect their employees from any physical, chemical, and biological hazards as well as from risks associated with any infrastructures.

Suppliers must ensure to impart training to make their employees familiar with applicable Health and Safety Guidelines and to maintain the production processes safe.

Suppliers shall operate in a manner that does not cause any adverse harm to the people or damage to the environment or the communities in and around your workplaces.

b) Protection from Hazardous materials

Suppliers shall ensure to provide training and educate their team in safe handling procedures while handling the chemicals at work, during storage, transport of chemicals, disposal, and treatment of chemicals. Suppliers should be provided with safe protection apparels and PPEs when they engage in handling hazardous materials.

c) Response to Emergency

Suppliers shall identify and assess possible emergency situations in workplace and minimize their impact inside and outside by implementing emergency response plans and procedures. Adequate training shall be provided to all employees.

d) Social Security

Suppliers must lay down a minimum standard for social security and ensure a framework covering the nine principal branches of social security (medical care, sickness, unemployment, old age, employment injury, family, maternity, invalidity, and survivor's benefits).

IV.MANAGEMENT SYSTEMS

Suppliers shall establish a management system designed to ensure compliance with applicable laws and regulations, identify and mitigate related operational risks, and facilitate continuous improvement.

Suppliers shall demonstrate commitment to follow these concepts described in this document by allocating appropriate resources.

V. ANTI BRIBERY AND ANTI CORRUPTION

Suppliers cannot solicit, encourage, or give any bribe or other payment, contribution, gift or favor to Granules employees that could influence his or her 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.

VI.INTERNATIONAL TRADE COMPLIANCES AND SANCTIONS

Suppliers must comply with the letter and spirit of all applicable import and export controls, sanctions, and other trade compliance laws of the applicable country(ies) where the transaction(s) occur(s).

Granules respects the trade, import and export control laws of all countries in which it operates and complies with all applicable laws, rules and regulations and the Suppliers are also expected to do the same. Trade requirements often change and laws in certain region may conflict. Suppliers are responsible for knowing the laws that apply to them and seek expert advice if in doubt.

VII.PERSONAL DATA PROTECTION

Proprietary and confidential information related to business strategy, plans, products, and process is critical to the business competitiveness. Suppliers are expected to protect and secure such information against unauthorized use shared by us.

Supplier should 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.

Supplier must immediately report any unauthorized processing, use, disclosure, destruction, alteration, access or loss, or suspected or actual breach of Granules related personal information in a timely manner, and in accordance with applicable data privacy laws to our compliance officer compliance@granulesindia.com.

Granules reserves the right to amend this COBC or policy in its entirety at any time based on change in regulations and business environment.

INTERPRETATION AND DEFINITIONS:

Intellectual Property: Intellectual Property includes, without limitation: Patents, Trademarks, Know-how, Scientific & Technical Knowledge & Experience, Domain names, Logos, and Company goodwill.

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.