

SUPPLIERS BUSINESS CODE OF CONDUCT

Version - 4.0 April 2025





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Purpose & Vision



Purpose:

Healing lives responsibly through pioneering green science



Vision:

To establish ourselves as a world leader in green chemical and pharmaceutical industry by harnessing cutting-edge technologies to enhance quality of life.



preamble



Granules India Limited ("Granules") is a vertically integrated pharmaceutical company engaged in manufacturing, sale and distribution, Research and Development 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 Granules lead its business behavior and provide practical guidance. It comprises of various corporate policies and procedures that govern doing business in a legal and ethical manner. This COBC 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 our Suppliers to read and imbibe this COBC and follow it in true spirit.

The COBC reflects the commitment of Granules to the highest standards of quality products, starting with quality sourcing. In doing business with Granules, foreign and domestic suppliers are expected to meet these standards and comply with the COBC.

The COBC supplements, but does not modify or supersede, any rights or obligations established in the purchase order terms and conditions or in any agreement Granules may have with any of its suppliers.

This document sets out the minimum ethical standard applicable to Granules Suppliers. This minimum ethical standard shall apply regardless of where the subsidiaries, associated companies of Granules or Suppliers are registered or conduct their activities. Whenever conventions, laws or regulations deal with the same topic, the strictest standard shall apply.

If a Supplier uses sub-contractors to fulfill the contract, the Supplier shall be responsible for communicating the requirements to its sub-contractors and cooperation partners and ensuring that they are met. This shall apply throughout the chain.

Adherence to this COBC, Granules' policies, applicable laws, and regulations is a pre-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. Any non-compliance with this COBC or failure to comply with this COBC, will give rise for a right for Granules to terminate or end the relationship with the Supplier upon written notice.

Concerns shall be appraised to the Compliance Officer as follows:



Email:

cobcsupplier.compliance@granulesindia.com



By Post:

Compliance Officer, COBC Supplier Code of Conduct Granules India Limited 15th Floor ,Granules Tower ,Botanical Garden Road Kondapur,Serilingampally,Ranga Reddy (Dist) Hyderabad, Telangana – 500 084, India

GENERAL SUPPLIER OBLIGATIONS

IN GENERAL, ALL GRANULES' SUPPLIERS SHALL:

- Understand and comply with this COBC and policies or positions linked herein.
- ❖ Maintain documentation necessary to demonstrate such conformance.
- ❖ Immediately report to Granules any gaps in compliance with this COBC, any event that affects such compliance or any other events potentially affecting Granules, Granules' products and/or Suppliers' compliance with any applicable agreements with Granules.
- ❖ Immediately communicate to Granules any significant inspection or regulatory issue with national or international health authorities.
- Allow Granules or Granules' authorized delegate to conduct necessary audits of facilities, systems and/or documents related to the content of this COBC and the policies or positions linked herein.
- Apply the same principles toward third parties with whom Suppliers work via their own Supplier code of conduct.
- Comply with applicable laws, regulations, rules, ordinances, permits, licenses, approvals, orders, standards, prohibitions, sanctions and Granules' requirements in all aspects covered within this COBC.



Granules exercises honesty, integrity and accountabilities in every dimension of its business. Granules will conduct business only with Suppliers who display ethical, sound and legal practices and confirm to applicable local and national laws, treaties, rules, regulations and other industry practices. All Suppliers are expected to conduct their business in an ethical manner and act with integrity.

The Supplier shall comply with fundamental ethical standards relating to business practices, the safeguarding of human rights and workers' rights, and conduct when competing with other parties.

The requirements shall apply both to the Supplier's business operations and to the Supplier's staff. "Staff" shall mean both employees and persons who work for the enterprise but are not employed. This shall also be applicable to "Workers".

The ethics elements include:

Business Integrity.

Suppliers shall uphold the highest standards of transparency all and transactions and interactions with Granules and refrain from being involved in any form of corrupt, unethical, or illegal practices. Suppliers that Non-Disclosure shall ensure Confidentiality Agreements are in place with any contractor, sub-contractor and other related parties who have access to Supplier's internal networks and/or will store, process or transmit Granules Information

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 immediately.

BUSINESS ETHICS (CONT..)

Compliance.

Suppliers shall:

- a) comply with all legal or regulatory requirements where applicable in the performance of services for Granules or any of its Affiliates.
- b) ensure compliance with relevant legislation, regulations and contractual clauses to ensure the protection of Granules interest.
- c) allow and support the completion of periodic assessments by Granules or Granules Affiliates to determine compliance with these Granules Supplier Information Security Requirements.
- d) ensure the integrity of their supply chain, avoiding counterfeiting and adulterations.
- e) Suppliers workmen engaged for Granules must not be charged or required to pay an fee or deposits or brokerage to obtain or maintain employment.

Good Manufacturing Practices.

Suppliers must follow current Good Manufacturing Practices for methods used in, and the facilities or controls used for, the manufacturing, processing, packing, or holding of all products, materials, active ingredients, excipients and components manufactured for or distributed to Granules. These practices ensure that such drug products meet the requirements for safety and have the identity and strength and meet the quality and purity characteristics that it purports or is represented to possess.

Fair Competition.

Suppliers must comply with all applicable anti-trust laws and regulations and shall conduct business in line with fair competition. Suppliers shall neither be involved in anti-competitive agreements with competitors in violation of antitrust law, nor shall they abuse a market position that may potentially be considered dominant or take part in any other anticompetitive practices. Suppliers shall employ fair business practices including accurate and truthful promotion.

Intellectual Property and Trade Secrets.

Suppliers must protect all Intellectual, Proprietary Information and Trade Secrets pertaining to Granules and ensure non-disclosure of the above mentioned, that has been obtained during the course of business with Granules.

Fraud Prevention and Reporting.

Suppliers are committed to promptly reporting, in good faith, any concerns related to questionable accounting, auditing, or disclosure matters. Such matters may encompass:

- a) Deficiencies in, or violations of, Granules' accounting policies or internal controls;
- b) (Suspicious transactions involving any of Granules' personnel with whom the Supplier engages
- c) Forgeries, tampering, or alterations of documents
- d) Payments made through intermediaries that deviate from ordinary business transactions

BUSINESS ETHICS (CONT..)

Suppliers are obligated to adhere to the aforementioned actions and must establish robust policies, procedures, and controls to prevent fraud, theft, embezzlement, and financial misstatement. In the event of such incidents, irrespective of materiality, suppliers are required to promptly report them to Granules. Additionally, suppliers must maintain accurate accounting records in sufficient detail, ensuring a fair representation of transactions, assets, liabilities, revenues, and expenses, without the inclusion of false entries or documentation.

Whistle Blower Protection and Anonymous Complaints.

Suppliers are required to adhere to the Whistleblower Protection Policy, and any breaches must be reported in good faith. Irrespective of the accuracy of one's interpretation of the facts, COBC, applicable law, or policy, a report made in good faith will be deemed fair. However, submitting a false report or doing so with malicious intent constitutes a violation of the COBC. Every individual holds a crucial role in upholding the standards outlined in this COBC. Consequently, it is imperative to promptly report any potential or actual violations of laws, company policies, and the COBC to the appropriate authority within Granules.

Conflict of Interest

An activity would be considered a conflict of interest if it has a negative impact on Granules' 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.

Acceptance of Entertainment and Gifts.

Giving or receiving gifts and entertainment can potentially affect objectivity and judgment and may breach bribery and corruption laws and regulations. Granules' Blue Book for employees clearly emphasizes non-acceptance of gifts and entertainment by Granules employees. Suppliers are expected not to offer any kind of gifts, gratuities, hospitality, meals and entertainment or any other item of value to Granules' employees while conducting business, government/regulatory officials or any other third party in any situation in which it might influence, or appear to influence, the employee's or regulatory official's decision concerning the Suppliers. Suppliers 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.

Animal Welfare.

Animal-using Suppliers shall apply the highest ethical and welfare standards related to quality, housing, husbandry, and veterinary care. Animal testing or other animal use such as for production shall be conducted using accepted and state-of-the-art methods, minimizing pain and only after considering all options to replace, refine and/or reduce (3R) testing. Whenever possible, alternatives to animal-using methods shall be used. For all types of animal usage, proper 3R, environmental enrichment and hygiene and health monitoring programs, as well as processes and procedures for incident and risk management shall be implemented and complied with.

BUSINESS ETHICS (CONT..)

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.

Compliance and inspections

Granules shall be entitled to ask the Supplier for documentation that shows compliance with the ethical standards set by Granules. Such documentation shall be provided without undue delay, in a format deemed appropriate by the parties.

Granules or a third party appointed by Granules shall be entitled to carry out announced or unannounced inspections of the Supplier and the Supplier's sub-contractors to investigate compliance with the standards.

If a Supplier does not meet all the standards at the time that the contract is concluded, Granules and the Supplier shall agree upon a timetable for remedying the matter.

If the parties discover a deviation from these ethical standards during the contract period, the parties may agree a deadline for remedying the matter. The deadline shall depend on the seriousness of the deviation. Serious and/or persistent breaches of the ethical standards shall be deemed material breaches and shall entitle Granules to terminate the contract. This shall apply even if this is not explicitly mentioned in the contract between the parties.



LABOUR AND HUMAN RIGHTS

Granules is firmly committed to upholding the highest standards of human rights and ethical labour practices throughout our operations and supply chain. This section sets out our expectations regarding the prevention of modern slavery, forced labour, and human trafficking. Modern slavery, in any form—whether slavery, servitude, compulsory labour, or trafficking—is a serious crime and a gross violation of fundamental human rights. Granules strongly condemns and strictly prohibits such practices within its business and supply chain.

We expect all our suppliers, contractors, and business partners to act ethically and with integrity in all business dealings. As part of this commitment, they must implement effective systems and controls to ensure modern slavery is not taking place in any part of their operations or those of their extended supply networks. Granules requires full transparency and expects these standards to be cascaded to all tiers of the supply chain. This applies to all persons and entities working on behalf of or in partnership with Granules, and adherence to these principles is a mandatory condition of doing business with us.

The elements include:

HUMAN RIGHTS.

Suppliers must conduct business in a manner that abides by human rights and ensures the protection of the human rights of their employees and dignity of people. This includes respecting all internationally recognized human rights, and at a minimum, those expressed in the International Bill of Human Rights (i.e. the Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, and International Covenant on Economic, Social and Cultural Rights) and the principles concerning fundamental rights specified by the International Labour Organization (ILO).

LABOUR AND HUMAN RIGHTS

Child Labour and Young Workers.

Suppliers shall not employ minor children and adhere to State and Central Government Child Labor Policies and Human Rights policies. Child labor is strictly prohibited. Employment practices of the Supplier must comply with Child Labour (Prohibition & Regulation) Amendment Act, 2016, and all other laws in India which relate to minimum age, child labor and employment of underage workers. Suppliers shall not employ a child under the age at which compulsory schooling ends, which is 14 years according to the laws in place in India.

Forced Labour.

Suppliers shall abide by all employment and immigration laws and do not allow engagement of any form of forced, bonded or indentured labour. All the employees of the Supplier must work voluntarily, and workers shall be free to leave work or terminate their employment with reasonable notice. No worker should be forced to pay for a job or denied their freedom of movement.

Non-discrimination.

Suppliers must respect the personal dignity, privacy, and personal rights of everyone and are committed to maintaining a workplace free from any discrimination and harassment. Suppliers shall not, discriminate or make distinction, exclude, or give preference based on, but not limited to race, gender, color, age, gender identity or expression, sexual orientation, ethnicity, physical or mental disability, religion, political affiliation, union membership, national origin, pregnancy (including related medical condition) or marital status, in hiring and employment practices such as applications for employment, promotions, rewards, access to training and senior positions, job assignments, conditions of employment including wages, benefits, discipline, or termination based on non-work related personal characteristics.

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. Suppliers should abide by Laws of Protection of Women from Sexual Harassment Act, 2013, at Workplace (POSH) at their location and at Granules premises whereby creating a safe and conducive work environment for women and provide protection against sexual harassment. Suppliers shall have a disciplinary process in place for policy violations.

Employment Policy.

Suppliers are expected to follow Employment policy which is designed to promote full productivity and with freedom of choice of employment and to fullest possible opportunity for workers 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.

LABOUR AND HUMAN RIGHTS

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. Suppliers shall ensure that benefits are given according to the practices and applicable laws at the place of employment. Wages and benefits shall be paid regularly, on time and in full and should provide an adequate standard of living for employees and their families.

Lawful usage of Computing and Networking Resources

Supplier shall have formal policies in place to ensure that its employees, contractors and other users abide by acceptable use of Computing and Network Resources for ethical, lawful, and productive use of those resources and to avoid prohibited use and actions.



- 1. Suppliers cannot solicit, encourage, or give, either directly or indirectly, 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 COBC.
- 2. Without limiting the generality of the foregoing, Supplier agrees to comply with all applicable laws relating to anti-bribery and anti-corruption from time to time in force, including but not limited to the United States Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act 2010.
- 3. Supplier has not and will not directly or indirectly offer or pay, or authorize such offer or payment, of any money or anything of value to improperly seek to influence any government official ("GO"), which means and includes: (a) any elected or appointed government official, which includes, without limitation, all levels and subdivisions of governments; or (b) any employee or person acting for or on behalf of a government official, agency, or enterprise performing a governmental function; or (C) any political party, candidate for public office, officer, employee, or person acting for or on behalf of a political party or candidate for public office; or (d) an employee or person acting for or on behalf of a public international organization (e.g., the United Nations), or any other person in order to gain an improper business advantage. If applicable, all information provided by Supplier during pre-contractual due diligence, including all information provided in the Third Party Entity FCPA Due Diligence Questionnaire, is complete, truthful and accurate.
- 4. Supplier undertakes to update the foregoing representation (during the performance of the Agreement) if Supplier or any of its employees who will be primarily responsible for performing under the Agreement, or a relative of such an employee or individual, becomes a GO.
- 5. Granules may have legal recourse and obligate Supplier to be liable for damages. if Supplier breaches the forgoing representation or if Granules learns that improper payments are being or have been made to a GO by Supplier with respect to services performed on behalf of Granules or any other company.
- 6. The Supplier must offer anti-bribery and anti-corruption training to pertinent staff, including any subcontractors linked to Granules' operations or interactions with governmental figures. Granules shall have the chance to review the training's adherence to their standards and can request further training sessions. The Supplier must, at Granules' request, confirm the completion of the anti-bribery and anti-corruption training.



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 organizations to define, implement and follow Good Health and Safety Practices in compliance with the applicable local and national regulations.

Suppliers to Granules must adhere strictly to health and safety laws, regulations, and standards governing their operations. This entails conducting regular hazard assessments to identify potential risks, implementing effective control measures to mitigate these risks, and providing comprehensive training and awareness programs for workers. Suppliers should actively engage workers in health and safety decision-making process- es, establish incident reporting and investigation procedures, and develop emergency preparedness plans. Continuous improvement efforts, including regular audits and evaluations, are essential for enhancing health and safety performance. Suppliers are also responsible for ensuring that contractors and subcontractors adhere to the same health and safety standards. Granules reserves the right to monitor compliance and take appropriate actions in cases of non-compliance to uphold the safety and well-being of all stake- holders involved.

HEALTH AND SAFETY

Health and Safety Protection of Employees

Suppliers are obligated to identify and safeguard their employees against physical, chemical, and biological hazards, along with risks associated with any infrastructure. Adequate personal protective equipment must be provided to employees. Suppliers are required to establish and maintain workplace, workstation, and work equipment standards, incorporating technical protective measures, to prevent accidents and work-related illnesses effectively. To ensure a safe working environment, Suppliers must impart training to familiarize employees with relevant Health and Safety Guidelines and uphold secure production processes. Operations by Suppliers should be conducted in a manner that avoids causing harm to individuals, damage to the environment, or adverse effects on the communities within and around their workplaces. Suppliers are further mandated to ensure the provision of accessible and high-quality drinking water, as well as equitable sanitation facilities, for all employees on their premises. Activities by Suppliers should not compromise the integrity of sanitary facilities or impede access for individuals.

Protection from Hazardous materials

Suppliers shall ensure to provide training and educate their team on safe handling procedures to prevent or mitigate releases of chemicals while handling the chemicals at work, during storage, transport of chemicals, disposal, and treatment of chemicals. Suppliers shall use safe protection apparels and PPEs when they engage in handling hazardous materials.

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. Suppliers shall conduct risk assessments, train and instruct their employees to contribute to a healthy and safe working environment.

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).



Granules expects all suppliers to comply with applicable environmental laws and maintain required permits. Suppliers must manage waste, emissions, and natural resources responsibly, prevent environmental incidents, and minimize their environmental footprint. This includes adopting energy-efficient practices, reducing greenhouse gas emissions, and exploring renewable energy sources. Continuous improvement in environmental performance is encouraged through sustainable operations and pollution prevention.

Compliance with Legal and Regulatory Requirements:

Suppliers of Granules are expected to comply with all applicable local, national, and international laws, regulations, and standards related to their operations. This includes but is not limited to labor laws, environmental regulations, health and safety standards, and product quality requirements.

Climate Change:

Suppliers must recognize the impact of climate change and commit to reducing their carbon footprint. They should implement measures to minimize greenhouse gas emissions, promote energy efficiency, and transition to renewable energy sources wherever possible. Suppliers are encouraged to set targets for reducing their carbon emissions and regularly report on their progress.

Environment and Sustainability

Water Management:

Suppliers must manage water resources responsibly to minimize consumption, prevent pollution, and protect water quality. This includes implementing water conservation measures, treating wastewater before discharge, and ensuring compliance with local water regulations. Suppliers should also monitor and report on their water usage and implement initiatives to improve water efficiency.

Waste Management:

Suppliers are required to implement effective waste management practices to minimize waste generation and promote recycling and reuse. This includes segregating waste streams, implementing waste reduction initiatives, and ensuring proper disposal of hazardous waste. Suppliers should comply with relevant waste management regulations and seek opportunities to reduce their environmental impact.

Pollution Prevention:

Suppliers must take proactive measures to prevent pollution of air, water, and soil. This includes implementing pollution control technologies, monitoring emissions, and implementing best practices to minimize environmental pollution. Suppliers should conduct regular environmental audits to identify areas for improvement and take corrective actions as necessary.

Environmental Responsibility:

Suppliers are expected to demonstrate environmental responsibility in all aspects of their operations. This includes minimizing environmental impact, conserving natural resources, and protecting biodiversity. Suppliers should implement environmental management systems to track their environmental performance and continuously improve their environmental practices.

Resources Management:

Suppliers must manage natural resources responsibly to minimize waste and promote sustainability. This includes optimizing resource use, reducing energy consumption, and minimizing water usage. Suppliers should implement measures to improve resource efficiency, such as using recycled materials and adopting sustainable practices in their supply chain.

Handling of Hazardous and Toxic Materials:

Suppliers must handle hazardous and toxic materials safely and responsibly to prevent accidents and minimize environmental impact. This includes implementing proper storage, handling, and disposal procedures for hazardous substances and providing training to employees on safe handling practices. Suppliers should comply with all relevant regulations governing the handling of hazardous materials and work to eliminate or reduce the use of toxic substances where possible.

Forest and Biodiversity Protection:

Suppliers shall avoid sourcing from illegal deforestation and must protect natural forests and biodiversity. Sourcing should align with global standards such as Forest Stewardship Council (FSC) and Roundtable on Sustainable Palm Oil (RSPO), promoting sustainable land use and preventing harm to endangered plant species.



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.

Information Security Policy

Suppliers shall have a documented information security management system (ISMS) that aligns with globally recognized standards such as ISO 270001 or the NIST Cyber Security Framework. Supplier's ISMS must include policies and procedures to ensure the confidentiality, integrity, and availability of Suppliers and Granules information. Suppliers shall review and update as necessary it's ISMS at least annually to ensure that the policies address current threats and remain consistent with the standards upon which it is built.

Information Security Organization

Suppliers shall designate a responsible Single Point of Contact who would be responsible for the information security within its organization ("Information Security Officer") and have defined information security roles and responsibilities throughout the organization. Suppliers shall provide the name and contact information of its designated Information Security Officer upon request.

Management Systems

Safety of Granules Systems, Network and Software

Suppliers should protect Systems, Network Devices and other equipment to reduce the risk from environmental threats and hazards and opportunities for unauthorized access. Supplier shall ensure that all Systems, Network Devices and other equipment used to process or store Granules and its Affiliates information are protected from theft, loss and unauthorized access. Suppliers shall check all Systems and Network Devices that may have contained Granules Information to ensure that all such information has been securely removed prior to redeployment or disposal.

Data Privacy:

Suppliers are expected to uphold the privacy and confidentiality of Granules' proprietary information, customer data, and any other sensitive information shared with them throughout their business engagement. This entails implementing suitable measures to safeguard sensitive data from unauthorized access, disclosure, or misuse. Additionally, suppliers must adhere to all pertinent data protection laws and regulations, including the General Data Protection rules and other applicable privacy laws in their operating jurisdictions. They are required to obtain explicit consent from individuals before collecting, processing, or sharing their personal data, ensuring that such data is solely utilized for legitimate business purposes.

Information Security:

Suppliers are required to establish comprehensive information security protocols to protect Granules' information systems, networks, and data assets from cybersecurity risks, vulnerabilities, and attacks. This involves maintaining stringent access controls, encryption mechanisms, and other technical safeguards to thwart unauthorized access, data breaches, or cyber incidents. Additionally, suppliers must conduct regular assessments of information security risks, perform security audits and penetration tests, and continually update their security controls to address evolving threats and vulnerabilities. In the event of a security breach or data incident, suppliers must promptly notify Granules and take immediate remedial actions to mitigate the impact and prevent recurrence.



- 1. Suppliers shall maintain a documented third party risk management program based upon globally recognized industry security standards and conduct assessments of contractors, sub-contractors and other related parties accordingly, and prior to sharing any Granules Information, establishing a network-to-network connection between their network and Supplier's internal network, or hosting a website or web application containing Granules Information.
- 2. Suppliers shall be responsible for ensuring that security requirements consistent with those of Granules Suppliers Information Security Requirements are included in contracts with, and are met by all Suppliers Contractors, sub-contractors and other related parties who have access to, or will store, process or transmit Granules Information.
- 3. Proprietary and confidential information related to business strategy, plans, products, and process is critical to business competitiveness. Suppliers are expected to protect and secure such information against unauthorized use shared by us.
- 4. Suppliers must comply with all data protection laws and Rules and requirements when processing any personal data (as defined under Digital Personal Data Protection Act, 2023 (DPDP Act) and its Rules thereto.
- 5. 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.
- 6. 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 Granules' compliance at cobc.compliance@granulesindia.com



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. Suppliers shall have robust processes in place to prevent the introduction of illicit funds into the legal economic cycle, or otherwise conceal the source or destination of funds. Supplier should not indulge in money laundering and terrorism funding in any stage of their activities

CUSTOMS-TRADE PARTNERSHIP AGAINST TERRORISM/IMPORTER SECURITY FILING

Granules is on its way to become a certified member of C-TPAT and encourages all of its business partners, including suppliers of tangible goods, to adopt security-minded strategies and procedures that meet C-TPAT's requirements.

As Granules is going to be C-TPAT Certified, incorporation of the MSC Minimum Security Criteria for US Importers is to be followed. "CTPAT incorporated requirements or recommendations related to cybersecurity, protection against agricultural contaminants, prevention of money laundering and terrorism financing, and the expansion of security technology. The MSC maintains flexibility and a risk-based approach, while redefining the global standard for government-led supply chain security programs". https://ctpatsecurity.com/wp-content/uploads/CTPAT-MSC-Importer-Booklet-March-2020.pdf

RESPONSIBILITY FOR THE POLICY

Granules shall have overall responsibility for ensuring this policy complies with its legal and ethical obligations and that everyone it applies to, complies with it. Department heads have primary and day-to-day responsibility for implementing this policy in their specific areas. Suppliers have responsibility for upholding it in their business and onward supply chain. Employees of Granules are all responsible for making themselves familiar with the policy so that they can uphold it in their particular role and identify potential breaches.

COMPLIANCE WITH THE POLICY

As an employee, supplier, agent or contractor of Granules, Supplier must ensure that they read, understand and comply with this policy.

The prevention, detection and reporting of modern slavery in any part of Granules's supply chains is the responsibility of all those working in Granules's supply chain. Supplier is required to avoid any activity that might lead to, or suggest, a breach of this policy. Suppliers are encouraged to raise concerns about any issue or suspicion of modern slavery in any parts of Granules supply chains of any supplier tier at the earliest possible stage.

Granules aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy. Granules is committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith under this policy.

AMENDMENT.

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

Please take printout on your company letter head & Do not delete Granules logo (Remove this comment before print)



ACKNOWLEDGEMENT

On behalf of [INSERT NAME OF SUPPLIER] having our registered office at [INSERT ADDRESS] ("Supplier"),

I, [INSERT NAME OF AUTHORIZED SIGNATORY], the authorized representative of the Supplier do hereby acknowledge the receipt of Granules Code of Business Conduct for Suppliers ("COBC") and agree that the Supplier is subject to the policies and procedures outlined in this COBC.

I/We further recognize that this COBC supersedes any prior Granules Supplier Code of Conduct concerning the same subject matter.

Name of Entity:
Signature of Authorised Signatory:
Date:

Please return this signed acknowledgement to:

Compliance Officer, Granules India Limited, 15th Floor ,Granules Tower ,Botanical Garden Road , Kondapur,Serilingampally,Ranga Reddy (Dist) Hyderabad, Telangana – 500 084, India



SUPPLIERS BUSINESS CODE OF CONDUCT ACKNOWLEDGMENT FORM

Supplier Information	
Supplier Name	
Supplier Address	
Contact Name	
Contact Title	
Telephone	
E-mail Address	
Supplier Acknowledgement	As a supplier of Granules India Limited, I have read the following Granules India Limited policies: Granules Code of Business Conduct for Suppliers
	(Company Name)
	agrees to follow the above-stated policies.
Signature Block	
Supplier Signature	
Print Name	
Title	
Signature Date	



About the ESG commitment:

At Granules, our purpose of "Healing lives responsibly through pioneering green science" serves as the foundation of everything we do — including how we work with our suppliers. As a company committed to responsible business, we recognize that our environmental, social, and governance (ESG) impact extends beyond our own operations. That's why we are actively engaging our supply chain through our Supplier Sustainability Program, encouraging all partners to join us in advancing shared ESG goals. This commitment goes beyond compliance. We expect our suppliers to adopt sustainable practices, disclose key ESG metrics, and align with internationally recognized standards that help reduce environmental impact, promote social equity, and uphold transparent and ethical governance.

Together, through collaborative efforts, we can create a resilient and responsible supply chain that contributes to a healthier, more sustainable future for both people and the planet.

Granules seeks the following commitments from its suppliers:

Environmental Commitments

- Disclose Scope 1, 2, and 3 greenhouse gas emissions related to Granules' business by the end of 2024.
- Develop and submit a science-based emissions reduction target to the SBTi by the end of 2025.
- Provide Product Carbon Footprint (PCF) data for products sold to Granules.
- Transition toward 100% renewable electricity within the next 5 years.

Social Commitments

- Respect and uphold human rights across operations and supply chains, ensuring zero tolerance for child labor, forced labor, or human trafficking.
- Promote diversity, equity, and inclusion, offer fair wages, and maintain safe and healthy working conditions.
- Support employee well-being through ethical labor practices, fair working hours, and accessible grievance mechanisms.

Governance Commitments

- Uphold the highest standards of integrity, including anti-corruption, anti-bribery, and anti-money laundering compliance.
- Ensure data privacy and information security aligned with applicable laws and industry practices.
- Maintain transparency in business transactions, financial disclosures, and supplier relationships while complying with all relevant legal requirements.

Please take printout on your company letter head & Do not delete Granules logo (Remove this comment before print)



GRANULES SUPPLIER SUSTAINABILITY PLEDGE

Dear Granules Team,

We,[Supplier Name],fully align with Granules 'sustainability vision, covering environmental responsibility, social impact, and governance. As a trusted supplier, we recognize our role in Granules' sustainability journey, especially in Scope3 decarbonization, ethical business practices, and social responsibility. Together, we are committed to building a resilient and responsible supply chain focused on climate action, human rights, and ethical governance.

We hereby acknowledge and agree that we will adhere to the below commitments outlined in the Granules Sustainable Supply Chain Pledge for Climate:

Environmental Commitments:

- Disclose Scope 1, 2, and 3 emissions related to Granules business by the end of 2024.
- Develop and submit a science-based target to the SBTi by the end of 2025.
- Provide Product Carbon Footprint (PCF) for products sold to Granules.
- Increase renewable energy in the electricity purchase and transition to 100% renewable energy within the next 5 years.

Social Commitments:

- Uphold and respect human rights across our operations and supply chain, ensuring no child labor, forced labor, or human trafficking.
- Promote fair wages, diversity, equity, and inclusion within our workforce and implement policies for a safe and healthy working environment.
- Support employee well-being through fair working hours, ethical labor practices, and transparent grievance mechanisms.

Governance Commitments:

- Maintain the highest standards of integrity and business ethics, adhering to anti-corruption, anti-bribery, and anti-money laundering regulations.
- Protect data privacy and information security in accordance with legal and industry standards.
- Ensure transparency in business dealings, financial reporting, and supplier management, while complying with all applicable local and international laws.

we acknowledge and commit to complying with the Granules Supplier Code of Conduct, which outlines the ethical, environmental, and social standards expected from all suppliers. We understand that adherence to these principles is essential for ensuring responsible business practices, sustainable operations, and ethical supply chain management.

I authorise Granules to use our company logo on any platforms internally or externally such as website, social media, and sustainability report owned by Granules, when referencing granules Sustainable Supply Chain Program Pledge.

Granules is hereby granted authorization to utilize the logo depicted below:

[Please attach company logo. Please note if the use of your logo is a challenge, this section can be deleted.]

Sign of Authorized Person:

Name & Position:

Date.





Sustainability
Program Info
Pack covers
several key
topics, including:

- Greenhouse Gases and Climate Change: Understanding the impact of greenhouse gases on the environment.
- Limiting Global Warming to 1.5°C: The significance of this target and why it is crucial for the planet.
- Climate Crisis: Highlighting the current state of the climate crisis and the lack of significant progress in addressing it.

Understanding Emissions:

- Scope 1: Direct emissions from owned or controlled sources.
- Scope 2: Indirect emissions from the generation of purchased electricity.
- Scope 3: All other indirect emissions, especially those from purchased goods and services.
- **Granules' Emissions Disclosure:** Our commitment to transparency in reporting Scope 1, Scope 2, and Scope 3 emissions.
- **Scope 3 Emissions**: Emphasizing that emissions from purchased goods and services dominate our carbon footprint.
- Calculating Emissions: Providing practical approaches and guidance for suppliers to measure their emissions accurately.

A. Greenhouse Gases and Climate Change

Greenhouse gases (also known as GHGs) are gases in the earth's atmosphere that trap heat. That's what keeps the earth's temperature at an average 14°C (57°F). Without this greenhouse effect, temperatures would drop to as low as -18°C (-0.4 F); too cold to sustain life on earth.

The main greenhouse gases are Carbon dioxide (CO2), Methane (CH4), Nitrous oxide (NOx), the three industrial fluorinated gases - hydrofluorocarbons (HFC), perfluorocarbons (PFC) and sulphur hexafluoride (SF6).

Climate change can be a natural process where temperature, rainfall, wind and other elements vary over decades or more. In millions of years, our world has been warmer and colder than it is now. But today we are experiencing unprecedented rapid warming from human activities, primarily due to burning fossil fuels that generate greenhouse gas emissions.

Scientists agree greenhouse gases are the cause of global warming and climate change. Human activities especially since the Industrial Revolution, are responsible for larger quantities of greenhouse gases into the atmosphere.

B. Limiting Global Warming to 1.5°C: what it means and why it matters

Global temperature changes are typically measured against the average temperature over a historical, pre-industrial baseline of 1850-1900.

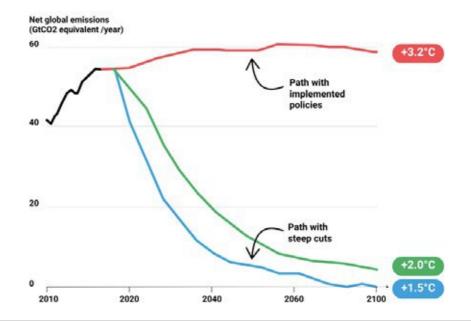
The science is clear: to avert the worst impacts of climate change and preserve a liveable planet, global warming needs to be limited as much as possible and as a matter of urgency. Every fraction of a degree of warming matters. With every additional increment of global warming, changes in extremes and risks become larger.



Failing to do so will lead to increasingly frequent and dangerous extreme weather events including severe flooding and heatwaves. At COPs 26, 27, and 28, countries expressed their firm resolve to pursue efforts to limit global warming to 1.5°C

CLIMATE FACTS

If we act now, steep cuts to greenhouse gas emissions can limit global warming

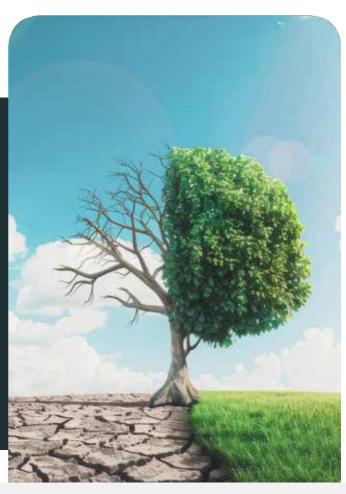


Source: IPCC, 2023: Summary for Policymarkers. In: Climage Change 2023: Synthesis Report. A Report of the Intergovernmental Panel on Climate Change

C. We are in a climate crisis, and we are not making significant progress

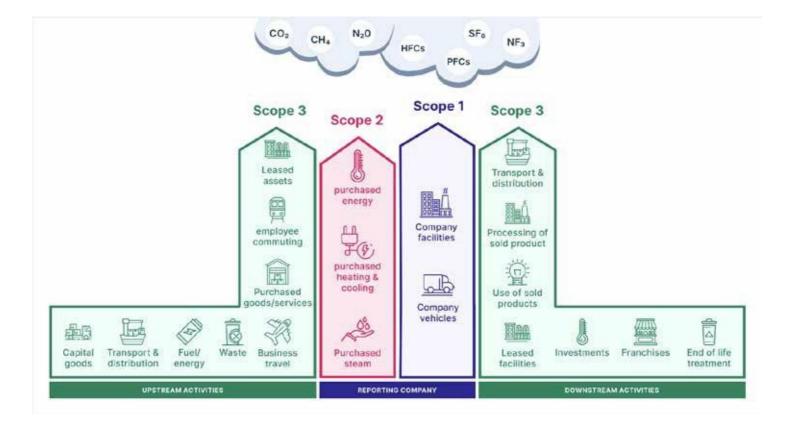
Global CO2 emissions, largely from fossil fuels, continue to rise and reach record levels. The global average temperature for the most recent 10-year period, from 2014 to 2023, is estimated to be the warmest 10-year period on record, at around 1.2°C above the pre-industrial level.

Temperatures between July 2023 and June 2024 were the highest on record, creating a year-long stretch in which the Earth was 1.64C hotter than in preindustrial times.



D. Understanding Emissions: Scope 1, Scope 2, and Scope 3

To effectively manage and reduce emissions, its important to understand the three types of greenhouse gas (GHG) emissions: Scope 1, Scope 2, and Scope 3.



Scope 1: Direct Emissions ("Burn")

Definition: These are direct emissions from sources owned or controlled by the organization. If your company directly pays for the fuel or owns the asset, it falls under Scope 1

Examples: Fuel combustion in company vehicles, heating oil for buildings, fuel used in manufacturing equipment.

Scope 2: Indirect Emissions from Purchased Energy ("Buy")

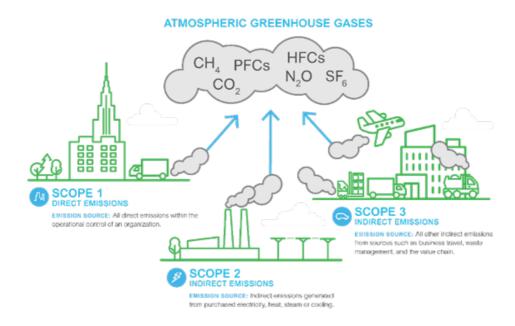
Definition: These are indirect emissions from the generation of purchased energy consumed by the organization. Although your company consumes the energy, it is generated offsite, making these emissions indirect.

Examples: Purchased electricity, steam, heating, and cooling.

Scope 3: Other Indirect Emissions ("Beyond")

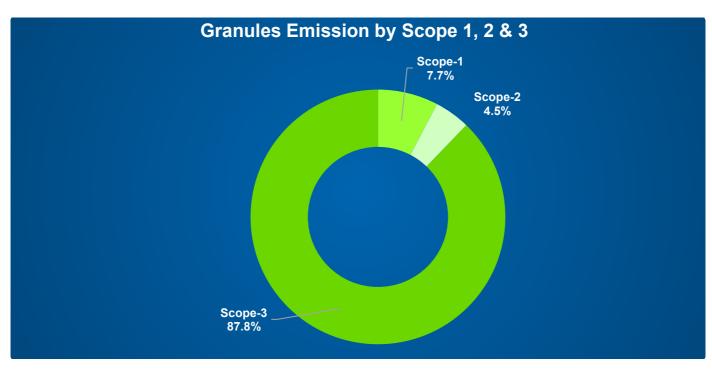
Definition: These are all other indirect emissions that occur in the value chain of the reporting company, both upstream and downstream. Scope 3 emissions encompass a wide range of activities and are often the largest and most challenging to measure. There are 15 categories of scope 3 emissions and most of your emissions will likely be scope 3.

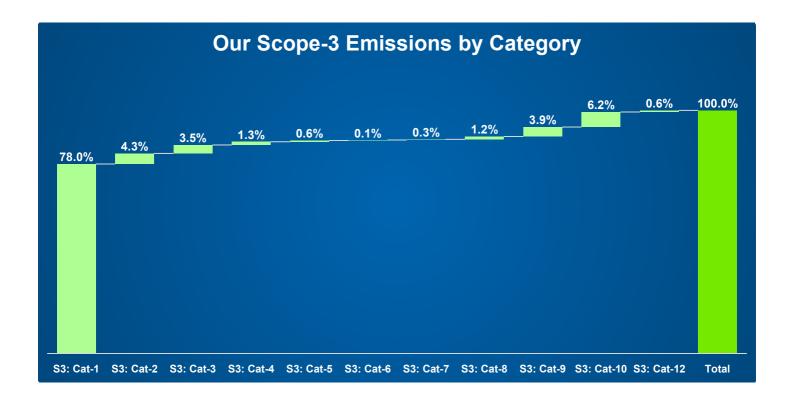
Examples: Emissions from the production of purchased goods and services, transportation and distribution, waste disposal, business travel, and employee commuting.



E. Granules Disclosure on Scope 1, Scope 2 and Scope 3 emissions

At Granules, we're breaking down our emissions to understand better and address our carbon footprint. The following charts provides the detail profile of our carbon footprint.





F. Scope 3 emissions, especially from our purchased goods and services is the dominant part of our carbon footprint

68% of our overall carbon footprint, and 78% of our scope 3 emissions, comes from our suppliers. We are also a growing company, we need to decarbonize faster to meet aspirations of our stakeholders- our customer & consumers, our Investors and Shareholders, Our people, Regulators and community at large. We are accelerating our renewable adoption; however, we would need your support and active participation to reduce our scope 3 emission.

G. Calculating Emissions: A Practical Approach

Calculating Scope 1, Scope 2, and Scope 3 emissions involves three key steps: gathering activity data, applying emission factors, and following the guidelines of the Greenhouse Gas (GHG) Protocol.

Scope 1 emissions require data on the amount of fuel combusted directly by your operations, such as coal for boilers, gasoline for vehicles or natural gas for heating. Multiply this activity data by the appropriate emission factors-values that convert fuel usage into CO2 equivalents —to determine your direct emissions.

Scope 2 emissions are calculated by gathering data on the consumption of purchased electricity, steam, heating, and cooling. This data is then multiplied by emission factors specific to the type and source of energy, considering the energy mix and efficiency of the generating facilities. The GHG Protocol provides standardized methods for these calculations, ensuring that your results are accurate and comparable across different sectors.

Scope 3 emissions are more complex, encompassing a wide range of indirect activities. To calculate these, you need data on everything from raw material extraction to product disposal. Each category within Scope 3 has its own set of emission factors. By consistently using the GHG Protocol's guidance, you can systematically approach the challenge of quantifying these emissions, ultimately gaining a comprehensive view of your environmental impact.

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