



Business Responsibility and Sustainability Report

Sustainability at Granules

Granules aspires to be one of the most sustainable companies. Which is why sustainability has always been integral to how we operate. This year, however, we took significant steps to shape our sustainability journey and be future-ready.

We set ambitious near- and long-term goals across three sustainability pillars of environment, social and governance (ESG) – by actively listening to our stakeholders:

WE AIM TO

1. Be Net Zero by 2050
2. Scale Green Chemistry product development and set up a flagship green pharma plant with an outlay of ₹ 2,000 crores and
3. Establish an enterprise-wide Sustainability Governance framework

Granules is committed to continuously improving the ESG performance across rating agencies. CRISIL (an S&P Global company) rated Granules' performance as 'Adequate' with a score of 54 out of 100. We participated in CDP's Climate Change rating disclosure in 2022.

UN SDGs Aligned

Our aspirations across the 13 ESG priority areas identified contribute to the Sustainable Development Goals of the United Nations.



We are pleased to publish Granules inaugural Business Responsibility and Sustainability Report (BRSR) FY 2022-23. It details the Company's ESG performance across the 9 principles defined by The National Guidelines on Responsible Business Conduct and is aligned with the new guidelines released by the Securities and Exchange Board of India (SEBI). The British Standards Institution (BSI) – an independent third party has verified and assured the environmental data disclosed in this Report.





KEY HIGHLIGHTS FY 2022-23

Principle 1



We are committed to conducting our day-to-day activities with integrity and transparency.

- ▶ Our Code of Conduct guides our everyday actions at work
- ▶ Our Policies provide our employees clarity on how to conduct business ethically and responsibly
- ▶ Over 90% of our value chain partners are trained on Granules Supplier Code and Green Procurement

Principle 2



We are committed to provide goods and services that are safe and sustainable

- ▶ 100% of Key Starting Materials (KSMs) at Granules are sourced sustainably from Goods Manufacturing Practice (GMP) compliant vendors
- ▶ 780 Lakhs invested (capex) in technologies to scale our environmental and social impact

Principle 3



We respect and promote the well-being of all employees, including those across our value chain

- ▶ Zero fatalities reported with lost time injury frequency rate of 0.12 (per million hours worked)
- ▶ All employees enjoy medical health and personal accident insurance coverage under the Company's Group policy – including 24/7 access to doctors via an integrated platform in partnership with Ekincare
- ▶ Continuous awareness and education of employees on healthy lifestyle
- ▶ Our return-to-work rate stands at 97% and every employee underwent upskilling training
- ▶ Granules is ISO45001:2018 certified

Principle 7



We are committed to doing our part transparently to influence public and regulatory policy

- ▶ As an active member of the Bulk Drug Manufacturer Association of India (BDMAI) we represent the Pharma industry and engage in meaningful dialogue with other members, peers and government bodies

Principle 8



We continuously engage with local communities to foster strong relationships and promote equitable development

- ▶ 90% of our CSR spend – to upskill and improve community health – benefits vulnerable and marginalized communities
- ▶ We work closely with NGOs, local communities, and government agencies to create sustainable solutions and drive positive change, together
- ▶ Our Pharma Pathshala program – in partnership with Swarna Bharat Trust – focuses on upskilling and livelihood opportunities for youth.
- ▶ The Public Health Clinic we set up at Bonthapally improves community health and well being
- ▶ 3 water tankers to provide clean drinking water to over 2,500 villagers.
- ▶ Contributed funds under the Pradhan Mantri TB Mukh Bharath Abhiyaan for feeding 100 patients for six months Nutrition food

Principle 4



We respect and uphold the interests of all our stakeholders and engage with them frequently

- ▶ We recognize that our stakeholders- Investors, shareholders, customers, value chain partners, communities and importantly employees and workers – are critical to Granule's success and future
- ▶ This year we conducted a materiality assessment by engaging with our key stakeholders. We gathered insights on what they felt Granules should be focusing on to be future ready and sustainable.
- ▶ We constantly engage with our employees thru quarterly townhalls as a two way communication platform

Principle 5



We stand for dignity, freedom and a fair workplace

- ▶ We are committed to upholding and advocating for human rights at our workplace and across encouraging our value chain partners to do the same
- ▶ The median annual remuneration of employees at Granules is over ₹ 6 lakhs. Our workers are also paid fairly and above minimum wage and as per market benchmark to remain competitive
- ▶ Our employees are trained on workplace harassment and the POSH and Whistleblower Policy lays out the processes to report incidents safely and anonymously

Principle 6



We are committed to reducing our environmental footprint across our operations

- ▶ 50% of our wastewater is recycled
- ▶ Our renewable energy mix is > 9%
- ▶ > 85% of the solid hazardous waste is sent to utilization by cement industries for co-processing thereby reducing the GHG footprint.

Principle 9



We are committed to provide high-quality products for better public health and safe services to our customers

- ▶ Zero data breaches during the reporting period
- ▶ Zero product recalls
- ▶ Transparent and effective mechanisms established to receive and respond to consumer complaints and feedback

What Granules Aspires to Achieve

Granules aspires to be among the most sustainable companies and is in the process of baselining and industry benchmarking of sustainability practices, adopting the best-in-class practices, extensive goal setting and identifying key performance indicators. During this year, Granules has also ensured that the employees are cognizant of the importance of sustainability and their role in Granules' sustainability ambition. There were capacity building sessions conducted in person at the facilities in Hyderabad and Vishakhapatnam to sensitize the employees on the regulatory requirements of BRSR.

Granules is also committed to improve the ESG scores provided by various rating agencies. At present, CRISIL (an S&P Global company) has rated Granules' performance as 'Adequate' with a score of 54 out of 100.

Granules is progressing year on year in monitoring of GHG emission. Granules has participated in CDP Climate Change disclosure in 2022 for scope 1 and scope 2 emissions. The Company has engaged BSI to validate the methodology of GHG accounting and going forward we aim to track Scope 3 emission calculations. In the next financial year, Granules also plans to start disclosing its sustainability performance through a sustainability report wherein comprehensive information shall be provided with reference to the Global Reporting Initiative (GRI) standards.



Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L24110TG1991PLC012471
2. Name of the Listed Entity	Granules India Limited
3. Year of incorporation	1991
4. Registered office address	2nd Floor, Block III, My Home Hub, Madhapur, Hyderabad – 500081
5. Corporate address	2nd Floor, Block III, My Home Hub, Madhapur, Hyderabad, Telangana, 500081
6. E-mail	investorrelations@granulesindia.com
7. Telephone	040-69043500
8. Website	https://granulesindia.com/
9. Financial year for which reporting is being done	2022-23
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited (NSE)
11. Paid-up Capital	₹ 242.04 (in million)
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report	Ms. Chaitanya Tummala, Company Secretary, Phone No: 040-69043500, investorrelations@granulesindia.com
13. Reporting boundary Are the disclosures under this Report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures made in this Report are on a standalone basis for Granules India Limited

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% Of turnover of the entity (FY23)
1.	Pharmaceuticals	Development, manufacturing and sale of Active Pharmaceutical Ingredients (API), Pharmaceutical Formulations Intermediates (PFIs) and Finished Dosages (FD)	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% Of total turnover contributed
1.	Manufacture of allopathic pharmaceutical preparations	21002	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6 (Manufacturing plants) 4 (R&D Centres)	11	21

Plant units (National)	Address
Finished Dosage Unit	160/A, 161/E, 162 & 174/A, Gagilapur Village, Dundigal Gandimaisamma Mandal, Medchal-Malkajgiri District – 500 043, Telangana State, India.
API Unit – I	Sy. No. 533, 535, 536, 537 Temple Road, Bonthapally Village, Gummadidala Mandal, Sangareddy District – 502 313, Telangana State, India.
API Unit – II	Plot No. 15A/1, Phase III, IDA Jeedimetla, Qutubullapur Mandal, Medchal-Malkajgiri District, Hyderabad – 500 055, Telangana State, India.
API Unit – III	Sy.No.216, Bonthapally Village, Gummadidala Mandal, Sangareddy District – 502 313, Telangana State, India.
API Unit – IV	Plot No 8, J.N. Pharma City, Tadi Village, Parawada Mandal, Visakhapatnam District – 531 019, Andhra Pradesh, India.
API Unit – V	Plot No. 30, J. N. Pharma City, Parawada Mandal, Visakhapatnam District – 531 019, Andhra Pradesh, India.

R&D Centres (National)	Address
1	Plot No. 56, Road No. 5, ALEAP Industrial Area, Pragathi Nagar, Gajularamaram Village, Qutbullapur Mandal, Medchal-Malkajgiri District, Hyderabad – 500 072, Telangana State, India.
2	Survey Nos. 234/1 to 4 and 6 to 7, 235 /6 to 9 and 245/1 to 3, India Land Global Industrial Park, Hinjewadi Phase -1, Mulshi Taluka, Pune District – 411 057, Maharashtra State, India.
3	H.No.5-33, Sy No.352, Plot No. 8, Road No. 2, ALEAP Industrial Area, Pragathi Nagar, Gajularamaram village, Qutbullapur Mandal, Medchal- Malkajgiri District, Hyderabad – 500 072, Telangana State, India.
4	Lab No: 11 & 13, Building No:1800, Sy No. 101,101/2 & 340, M. N. Park, Genome Valley, Lalgadi Malakpet Village, Shameerpet Mandal, Medchal- Malkajgiri District, 500 078, Telangana State, India.

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	All states in India
International (No. of countries)	80+

b. What is the contribution of exports as a percentage of the total turnover of the entity?

92.63% of the business comes from exports

c. A brief on types of customers

Granules India Limited (GIL) is a leading, vertically integrated pharmaceutical Company dedicated to manufacturing Active Pharmaceutical Ingredients (API), Pharmaceutical Formulation Intermediates (PFI) and Finished Dosages (FD) products. Established in 1991, The Company has since successfully forayed into key international pharmaceutical markets of the United States of America, Canada, Latin America, Europe, Asia Pacific, and India.

Known for our process innovation and unparalleled efficiencies, currently the Company supplies more than 50 molecules, pharmaceutical products to 300+ customers in 80+ countries with offices across India, US, and UK. The Company has 7 manufacturing facilities out of which 6 are in India and 1 in the USA and has regulatory approvals from US FDA, EDQM, EU GMP, COFEPRIS, WHO GMP, TGA, K FDA, DEA, MCC, and HALAL.

The Company is a preferred supplier of superior quality pharma products for some of the world's leading branded pharma and generics companies as well as to the top retailers in the developed markets. Its exports now contributes over 90% of the revenue.

IV. Employees

18. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	3,650	3,410	93%	240	7%
2.	Other than Permanent (E)		Not Applicable			
3.	Total employees (D + E)	3,650	3,410	93%	240	7%
WORKERS						
4.	Permanent (F)		Not Applicable			
5.	Other than Permanent (G)	2,223	1,806	81%	417	19%
6.	Total workers (F + G)	2,223	1,806	81%	417	19%

b. Differently abled employees and workers

S.no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)		Nil			
2.	Other than permanent (E)					
3.	Total differently abled employees (D + E)					
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)		Nil			
5.	Other than permanent (G)					
6.	Total differently abled workers (F + G)					



19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	2	20%
Key Management Personnel*	6	2	33%

*Key Management Personnel comprise of Managing Director, Executive Directors, Chief Financial Officer, and Company Secretary.

20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	38%	42%	38%	27%	27%	27%	23%	19%	23%
Permanent Workers	NA								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Granules USA, Inc.	Subsidiary	100%	No
2	Granules Pharmaceuticals, Inc.	Subsidiary	100%	No
3	Granules Europe Limited	Subsidiary	100%	No
4	Granules Consumer health	Step down subsidiary	100%	No
5	Granules Life Sciences Private Limited	Subsidiary	100%	No
6	Granules CZRO Private Limited formerly known as CZRO Molecules Pvt. Ltd.	Subsidiary	100%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes, CSR is applicable to the Company as per section 135 of Companies Act, 2013.

(ii) **Turnover (in ₹)** - ₹ 39,312 million

(iii) **Net worth (in ₹)** - ₹ 26,144.2 million

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Granules has an internal Grievance Policy for addressing Individual Grievances of internal and external stakeholders related to the operations of the Company.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022 -23			FY 2021-22		
		Current Financial Year			Previous Financial Year		
	(If yes, then provide web-link for grievance redress policy)	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholders)	Yes (Link)	0	0	-	0	0	-
Shareholders	Yes (Link)	2	0	-	1	0	-
Employees and workers	Yes	1	0	-	0	0	-
Customers	Yes (Link)	414	0	-	469	0	-
Value Chain Partners	Yes (Link)	0	0	-	0	0	0

All factory units have a Grievance redressal committee to redress individual grievances.

► **Communities:** The Community members can approach the HR manager of the unit, who shall document the grievance and collect the written complaint, which shall be addressed by the Plant Head in consultation with the Corporate Office. Grievance Redressal Policy is available on the intranet. Any grievances received are addressed immediately by Unit Admin, No major concerns received.

► **Investors/Shareholders –** The Stakeholders Relationship Committee investigates various aspects of interest of the shareholders. The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances. The Company's also has Investors Grievance Redressal Policy.

<https://granulesindia.com/wp-content/uploads/2022/03/Investor-Grievance-Redressal-Policy.pdf>

► **Employees:** Any employee who has a grievance shall initially inform his/her supervisor verbally. In case he/she is not satisfied with the resolution; they shall formally approach the Grievance Redressal Committee by a written application. Grievance Redressal Policy is available on the intranet.

POSH Complaints – 1

► **Customers:** All the customer complaints which were received have been resolved in a time-frame as stated in our Quality standard operating procedures and proposed improvements incorporated into the processes and the Company makes sure that no complaints are pending at the end of the financial year. To report an adverse experience with a specific Granules drug product, one can call Granules Pharmacovigilance Team or report at - drugs.safety@granulesindia.com

Customer complaints pertain to packaging, quality, transit, and others.

► **Value Chain Partners:** Downstream related grievances are handled by the marketing team; Upstream grievances handled by supply chain management. In case of any queries or concern partners can reach out to <https://granulesindia.com/register-as-supplier/>.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

In keeping with the commitment to include sustainability as one of the strategic levers, Granules conducted a detailed Materiality Assessment for the first time in the organization during FY 2022-23.

The Company has identified the material topics in consultation with internal and external stakeholders such as Granules' Board members, employees, customers, investors and research analysts, suppliers and NGOs.

Through the assessment, Granules has been able to recognize, examine, and analyse potential sustainability issues across the pillars of environmental, social, and governance that might have an effect on its operations and the stakeholders involved. These initial topics were screened and prioritized with the help of senior leadership to arrive at a final list.



It has helped the Company understand their expectations as well as sustainability aspects that have tangible bearings on the business.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	GHG Emissions	Risk	<ul style="list-style-type: none"> Impact on the environment Global regulatory risks 	<p>Granules has implemented various initiatives based on identified potential areas of improvements by reputed external agencies like National productivity council (NPC) and Honeywell.</p> <p>Avoidance/Mitigation of GHG Emissions by Energy Initiatives across all units by:</p> <ul style="list-style-type: none"> Replacement of Transformers/blowers Replacement of DX Coil System with Chilled Water Coils Usage of renewable energy (Solar power to Grid) etc. <p>The Company does continuous monitoring of Total Volatile Organic Content in its manufacturing facilities to ensure that the environment is maintained in good condition. In addition to this we monitor Ambient air quality across the manufacturing facilities and boilers for Suspended Particulate Matter (PM10), Respirable Suspended Particulate Matter (PM2.5) along with harmful pollutants like SOx and NOx.</p>	Negative
2	Climate Change	Risk/ Opportunity	Risk: Waste, Water and Energy management have been identified as key material issues under the Climate change and environmental risk. The Climate Change and environmental risks are addressed to emphasize on the Company's climate consciousness and its contribution towards mitigation action plans against climate change.	<p>The Company has carried out energy and water audits in most of its operating units to find potential areas of improvement to save water, energy and reduce Greenhouse Gases (GHG) emissions.</p> <p>We have identified measures for reduction of carbon emissions, increased the percentage of renewable energy, and improved operational efficiency as well as to manage any risks to our operations.</p> <p>Nearly 10% of our electricity demand was procured from an environment-friendly renewable source of solar energy. We are looking forward to further exploring the increase of solar power consumption. This clean and renewable source of energy would indirectly help in reducing our carbon footprint.</p>	Negative
3	Water Management	Opportunity	to emphasize on the Company's climate consciousness and its contribution towards mitigation action plans against climate change.	<p>We are maintaining Zero Liquid Discharge (ZLD) System and Effluent Treatment Plants with RO Recovery System to ensure that the effluents generated are treated to minimize the environmental impact and reuse the resources wherever possible. The treated water is suitably recycled back into the utility makeup.</p> <p>We have reduced our dependence on groundwater through water conservation techniques like rainwater harvesting, recycling, and effluent water treatment.</p>	Positive
4	Waste Management	Risk/ Opportunity	In addition to the above there will be certain regulatory risks associated with waste management. Opportunity: Comprehensive resource management plans in alignment with the Company's environment conservation strategy will highlight the Company's commitment towards improving environment preservation and its contribution towards climate change mitigation action plans.	<p>Under clean manufacturing, all the solid wastes generated at our manufacturing plants are either sent to cement industries for co-processing or to authorized vendors.</p> <p>Hazardous waste and non-hazardous waste are segregated at source and stored at dedicated spaces in the manufacturing facilities. Hazardous waste is stored category wise in hazardous waste storage areas and disposed off to Pollution Control Board authorized disposal facilities as per applicable regulations.</p> <p>Almost 100% of the non-hazardous waste generated is sent to authorized recyclers for recycling in-turn creating an effective and efficient waste management system.</p>	Negative/ Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Employee Engagement and Well Being	Opportunity	Wellness and Wellbeing of the employees is the company's priority.	<p>"Granules wants to be employer of choice." And Employee wellbeing is our topmost priority.</p> <p>The Company organizes quarterly health awareness campaigns, conducts meditations and stress management sessions by eminent speakers.</p> <p>The Company has tied-up with "Ekincare" integrated platform that provides access to multitude of healthcare services such as 24*7 chat with doctors, health check-ups at concessional rates, medicines purchase and delivery, access to Gyms etc.</p> <p>This will help the management achieve its goals in terms of creating a conducive work environment and help employees realize their potential.</p>	Positive
6	Occupational Health & Safety	Risk	<ul style="list-style-type: none"> Exposure of employees to Work related Hazards. Legal Repercussions 	<p>We strive to adhere to the standards as per Environment, Health & Safety (EHS) and Sustainability. The failure of compliance to these standards lead to regulatory, reputational, and business continuity risks which may in turn impact sustainability of our business adversely.</p> <p>We have an occupational health and safety management system certified as per ISO 45001:2018. We also have occupational Health centres in formulation facilities and the units have medical assistance round the clock.</p> <p>Employees are provided with training to make them familiar with applicable Health and Safety guidelines and report any unsafe conditions or acts, near misses to the functional heads.</p>	Negative
7	Human capital Development	Opportunity	<ul style="list-style-type: none"> Talent Acquisition and Retention Skill Development 	<p>We value diversity in our workforce and all efforts are made to ensure that we provide an inclusive working environment and are able to attract and retain diverse talent.</p> <p>Also, we encourage and nurture talent within the organization by conducting skill development and career development workshops.</p> <p>Granules has partnered with Swarna Bharat Trust to provide skill development programs and nurture talent. These youth are given the opportunity to be part of the "Earn & Learn" program. Students who are trained at Pharma Pathshala are given an opportunity to work with us, following the successful completion of the programme.</p> <p>We have launched the "Granules Learning Academy" concept that includes Training of Grass-Root employees on Fundamentals of Unit of Operation, in Manufacturing and in Quality Control. Role based training pertaining to guidelines and standards is being initiated for managers engaged in pharmaceutical manufacturing.</p>	Positive
8	Business Ethics and Integrity	Risk	Business integrity breach can hamper the Company's credibility and effect Brand image	<p>Our Code of Conduct covers all the stakeholders including groups/Suppliers/ Contractors/ NGOs/ Others. We always encourage our employees and all the stakeholders not to engage in any unfair trading practices, irresponsible advertising, or anti-competitive behavior.</p> <p>We have procedures in place to ensure that the business of the Company is carried out fairly and responsibly.</p>	Negative
9	Sustainability Governance	Opportunity	Improves the visibility of the company in global market	<ul style="list-style-type: none"> The Company released its first CDP Disclosure in 2022. The Company has engaged BSI for external assurance. Engaged with external stakeholders such as SEBI and rating agencies like CRISIL to benchmark competitors and receive their insights. 	Positive
10	Data Privacy and Cyber Security	Risk	Threat of Cyber Attacks	<p>Lack of a strong data integrity and security mechanism may lead to increase in number of data breaches and loss of valuable data.</p> <p>Mitigation Measures:</p> <ol style="list-style-type: none"> Preparation/Revision of SOPs like IT Policy, Information Security Backup are completed. Presently, there are revisions due to enhancements. (In Progress) All servers and firewall devices were upgraded, and licenses were renewed. Storage is upgraded. VSK network is upgraded. (Completed) All server software were upgraded from Windows 2008 to Windows 2019. (Completed) Vulnerability Assessment is completed by third Party consultancy and all points are addressed. (Completed) ISO 27001 certification. (In Progress) Automated backup activity. (In Progress) IT compliance (w.r.t 21 Code of Federal Regulations (CFR) Part 11) gap assessment for all GxP systems by third party. (In Progress) Establish Disaster Recovery Site for critical applications. (In Progress) Implement Cloud Backup for critical applications. (In Progress) 	Negative



SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
c. Web Link of the Policies, if available**	https://granulesindia.com/investors/investor-resources/policies/ (Internal Policies - P2; P3,P5,P6, P9)								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, at present, our policies under P1, P3, P5 are extended to our suppliers and contractors.								

4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) mapped to each principle.

Principle 1	Quality Management System (ISO 9001:2015)
Principle 2	We don't have a certification currently. However, we ensure that our sourcing is done sustainably
Principle 3	Occupational Health and Safety Management System (ISO 45001:2018)
Principle 4	At Granules, we involve key stakeholders in the process of devising our long-term ESG vision. The Company does not have any international codes/certifications/labels/standards in relation to Principal 4
Principle 5	We conduct our business in a manner that abides by human rights and dignity of people. The Company does not have any international codes/certifications/labels/standards in relation to Principal 5
Principle 6	Environmental management System (ISO 14001:2015), ISO 14064 (GHG Accounting)
Principle 7	We play a strong role in public policy advocacy through regular engagement with specific external stakeholders including industry associations, government bodies and regulatory departments. However, the Company does not have any international codes /certifications /labels/standards in relation to Principal 7
Principle 8	We undertake various CSR activities that address the needs of the community. We currently do not have any international codes/ certifications/labels/standards in relation to Principal 8
Principle 9	We focus on our energies towards understanding and addressing customer expectations thereby building lasting business relationships. We operate in an industry which is highly regulate by the health authorities across the world and our products meet regulatory standards. Currently the Company does not have any international codes/certifications/labels/standards in relation to Principle 9, but we are regularly audited by multiple health authorities for Quality of our product, facility, and assurance.

5 Specific commitments, goals and targets set by the entity with defined timelines, if any. We have set long term targets of Net Zero by 2050. Along with this we will also scale up our investment towards green pharma. From sustainability governance front we will be establishing enterprise-wide sustainability governance framework.

In the near-term horizon, some of our targets and proposed initiatives are as mentioned in this section, along with this we also intend to develop other medium- and long-term targets across our material topics, which will be part of our subsequent sustainability reports and external communications.

GHG Emissions:

The current near term annual targets to reduce GHG intensity by 5% YoY

Key Projects considered for GHG emissions for future prospective:

- ▶ Installation of Rooftop solar panels
- ▶ Reduction in fossil fuels
- ▶ Other Misc. like Electronically commutated (EC) Blower's installation

Energy:

The current near term annual targets to reduce energy intensity by 5% YoY

Key Projects considered for GHG emissions for future prospective:

- ▶ Reduction of Power usage
- ▶ Conventional belt driven blower motors replaced with EC blowers
- ▶ Usage of renewable energy
- ▶ Replacement of blowers and RT pumps with Energy efficient pumps

Water:

The current near term annual targets is to reduce Specific water consumption by 5% YoY

Key Projects considered for Water future prospective:

- ▶ Increase of Rainwater collection and recycling
- ▶ Installing and operating ZLD
- ▶ Reduction in water consumption by recovery of steam condensate
- ▶ Other Misc. like Flash jet pump

Waste:

The current near term annual targets is to reduce specific waste generation by 5% YoY

Key Projects considered for future:

- ▶ Increase in Process residue Liquid disposal to co-processing
- ▶ Proper segregation of various categories of waste and disposing them in a responsible way
- ▶ Reduction in Hazardous waste generation through R&D interventions
- ▶ Other Miscellaneous Decantation of ETP sludge to reduce moisture content

6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Energy	The Specific Energy Intensity (TJ/Million Rupees) is reduced by 15.7% compared to FY 2021-22. This is aligned to the commitment of specific Energy Intensity reduction target of 5% YoY.
		The overall renewable energy share for FY 2022-23 is 9.03% mainly due to implementation of Solar power usage through open Access.
		We installed a Solar Power Plant at Gagillapur on March, 2023 with a capacity of 320 KWp; with a maximum power generation of 1,200 KWH, which in turn would reduce 0.972 MT of carbon dioxide on a daily basis.
		The overall Energy Savings by implementation initiatives: 29,10,106 KWH per annum or 10.476 TJ
	Emissions	In FY 2022-23 Total GHG footprint in MT (Scope1+Scope2) is 1,09,950 tCO ₂ e
		The Specific GHG Emission Intensity (tCO ₂ e/Million Rupees) is reduced by 14% compared to FY 2021-22. Which is aligned to committed Specific GHG Emission Intensity reduction target of 5% YoY.
		During the current FY, the energy consumption has increased by 2.3% whereas the GHG emissions have increased by only 0.4%, largely due to increase share of Renewable energy.
		Despite 20% growth in our business and activities out GHG emissions have largely win stagnant (minor increase of 0.4%). Thus our GHG intensity (Measured as GHG emission per Million rupees of sales) has declined by 13.2% from previous year against the target of 5% YoY reduction.
		In this Fiscal year Greenhouse Gases (GHG) emissions have been avoided due to usage of Solar and other energy efficiency projects. The primary reason for this reduction is initiatives such as usage of renewable solar energy and replacing Transformers/DX Coil System with Chilled Water Coils.



Water	<p>The Specific Water Intensity (KL/Million Rupees) is reduced by 28.2% compared to FY 2021-22 due to various water conservation measures implemented and increased in business volumes, which is aligned to committed Specific Water Intensity reduction target of 5% YoY.</p> <p>In this Fiscal year 41,751 KL i.e 12.84% of freshwater consumption has been reduced due to Rainwater collection, Improved water recycling, additional recovery of steam condensate, flash jet pump, recycled water from effluent treatment plants.</p> <p>Percentage of water recycled during this Fiscal year is more than 50%, In GIL –Gagillapur unit about 50% of the treated water is recycled. In GIL Bonthapally Unit-1 more than 90% of treated water is recycled.</p>
Waste	<p>The Specific Waste Intensity (MT/Million Rupees) is reduced by 28.2% compared to FY 2021-22 due to various waste optimization measures implemented and increased in business Volumes, which is aligned to committed Specific Waste Intensity reduction target of 5% YoY.</p> <p>In this fiscal Hazardous Waste generation was reduced by 462 Metric tons which is 12.8% by optimizing the process.</p> <p>We recycle almost 100% of the non-hazardous waste generated at our manufacturing site.</p> <p>More than 85% of the solid hazardous waste is disposed off to cement industries for co-processing thereby reducing the GHG footprint.</p>

Governance, leadership, and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)

Our unwavering commitment lies in the pursuit of delivering pharmaceuticals of exceptional quality and affordability, all the while assuming responsibility and implementing measures that foster sustainable growth. We aspire to create a viable future, enhance quality of life, and build resilience through Environmental, Social and Governance (ESG). To achieve this we have devised a comprehensive long-term strategic plan centered around ESG principles, aligning ourselves with the United Nation Sustainable Development Goals and our National Guidelines on Responsible Business Conduct.

In the ever-evolving landscape of the pharmaceutical industry, the concept of green chemistry has gained considerable traction. We are aware of the bearings of our operations on GHG emissions. We are designing our processes, products and facilities to be efficient enough to reduce any negative impact on the environment.

At Granules, we are involving key stakeholders such as employees, regulators, customers, and suppliers in the process of devising our long-term ESG vision. We have engaged with all key stakeholders including our employees, regulators, customers and suppliers, investors, and communities to identify our materiality issues. We have defined these issues as key performance indicators (KPIs) which includes Carbon Emissions, Occupational Health and Safety, Diversity and Inclusion, Water and Waste Footprint, Water and Energy audits at our facilities and brainstorming of several as Operational Excellence projects. Recognizing the importance of a sustainable supply chain, we actively engage with our external value chain partners in our quest for building a resilient and sustainable network.

Our commitment to continuous improvement is exemplified through our unwavering determination to enhance our ESG scores. We aspire to stand among the forefront of sustainability by benchmarking ourselves against the finest industry practices and adopting them as our own.

DR. KRISHNA PRASAD CHIGURUPATI

Chairman & Managing Director

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	<p>The highest authority responsible for implementation and oversight of the Business Responsibility policy/policies is as follows</p> <p>Dr. Krishna Prasad Chigurupati</p> <p>Designation – Chairman and Managing Director</p> <p>Telephone number – 040-69043500 e-mail id – mail@granulesindia.com</p>
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	<p>The Chairman and Managing Director as stated above oversees the decision making on sustainability related issues.</p>

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies of our Company are reviewed periodically or on a need basis by the Board and Committees of the Board. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.									Few policies are reviewed Annually, and some are reviewed Periodically as per the requirements								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Our Company is compliant to all applicable regulations																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Y	Y	Y	Y	Y	Y	N	Y	Y

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Principle 1 of the NGRBC states that ethical behavior is of the utmost importance for businesses to guide their governance of economic, social and environmental responsibilities across all operations, functions and processes. This principle highlights the significance of transparently disclosing business decisions and actions that affect stakeholders, as it forms the essential foundation for practicing responsible business conduct. Such disclosures should be accessible to all relevant stakeholders. The principle acknowledges that businesses are an integral part of society and should take responsibility for effectively adopting, implementing and disclosing their performance.

Granules India focuses on the essence of the Principle by providing mandatory trainings and launching programs such as ‘Granules Learning Academy’ for its employees and workers. Tracking of any unethical action is maintained by the organization and transparent disclosures are provided under this Principle. Granules consists of a strong grievance redressal mechanism that is used to redress any complaint related to unethical behavior received from stakeholders.

Essential Indicator

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Our people are central to all what we have achieved so far, and source of our optimism for a better and a bright future. At Granules India, we believe that people who feel truly associated with the organization are the ones who perform to their true potential. As a core part of our business strategy, We are committed to providing an environment where all our employees feel enabled with a strong sense of belonging.

We have launched the “**Granules Learning Academy**” concept that includes Training of Grass-Root employees on Fundamentals of Unit of Operation, in Manufacturing and in Quality Control. Role based training pertaining to guidelines and standards is being initiated for managers engaged in pharmaceutical manufacturing.



Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	The Board of Directors undergo various leadership trainings in dimension of businesses, regulations, code of conduct, ethics and integrity. Trainings such as EY-ISB Board Directors Program for Women and NRC forum meetings by KPMG have been conducted for the leadership.	20%
Key Managerial Personnel	6	The Key Managerial Personnel undertake trainings related to personal effectiveness, time management, behavioral changes, effective communication, goal settings, result orientation and leveraging team strengths that can be used for effectiveness and better applicability in their day to day job.	100%
Employees other than BoD and KMPs	12 Trainings, One Hour Learning, 5 MG Training	Employees and Workers at Granules undergo some mandatory trainings related to Safety, Regulatory Training, Code of Conduct, POSH, Insider Trading, Quality, Soft Skills and Compliance. In furtherance, Granules also rolls out e-mails and updates regarding the above topics as part of its employee awareness.	100%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	At Granules, we have strict ethical policies, and expect our Directors to be compliant with the code of the Company.				
Settlement	During the financial year, no penalty/fine, settlement, compounding fee, imprisonment, or any kind of punishment has been imposed on the Company, Company's Directors and KMPs.				
Settlement					
Compounding fee					

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	During the financial year, no Non-monetary Punishments were imposed on the Company, Company's Directors and KMPs.			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable as there were no monetary or non-monetary penalties	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

We adhere to uncompromising integrity in conduct of business and do not tolerate corrupt and immoral practices. The Code of Conduct addresses these aspects of anti-corruption/anti-bribery and covers all the stakeholders including groups/ Suppliers/ Contractors/ NGOs/ Others.

We have procedures in place to ensure that the business is carried out fairly and responsibly. An Employee cannot solicit, encourage, or receive any bribe or other payment, contribution, gift, or favor that could influence our or another's decision.

Web link- <https://granulesindia.com/wp-content/uploads/2022/03/COBC.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directors		
KMPs		Nil
Employees		
Workers		

6. Details of complaints about conflict of interest:

	FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors				
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

There were no complaints regarding conflict of interest in FY 2022-23 and FY 2021-22.

7. Provide details of any corrective action taken or underway on issues related to fines/penalties /action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Since there are no such instances or penalties noted, the requirement of corrective actions does not arise.

Leadership Indicator

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
-One session covering 80% of total vendors.	Supplier Code of Business Conduct	90% value chain partners*
- One to one sessions for individual Vendors (150 Vendors).	Green sustainability Ethical training	

*The top partners makeup upto 90% of the value chain

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.

The commitment of Granules to ethical and lawful business conduct is a fundamental shared value of its Board of Directors, Management. Our standards for business conduct provide that we will uphold ethical and legal standards vigorously as we pursue our financial objectives and business goals, and that honesty and integrity will not be compromised anywhere, at any time. Consistent with these principles,

Granules Board has adopted the Code of Conduct for Board & Senior Management, as a guide to the high ethical and legal standards expected of its members. The Code guides the Directors and senior management personnel to conduct themselves in a professional, courteous, and respectful manner and also ensures to mitigate and prevent conflicts of interest that may arise.

An officer's duty to the Company demands that he or she avoids and discloses actual and apparent conflicts of interest. The members of the Board must identify the potential conflicts when they arise and notify it to the Company appropriately.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

The Principle places paramount importance on the incorporation of safety and resource-efficiency principles in the conceptualization and production of business products. It underscores the imperative for businesses to utilize their products in a manner that generates value while simultaneously minimizing and alleviating their detrimental effects on environment and society throughout the entirety of their lifecycle, spanning from initial design to disposal.

Granules India has invested in technology that help improve its environmental performance. Energy saving appliances were brought in and replaces with existing old appliances. The organization focuses on reviewing the supplier base on parameters such as environmental regulations, labor laws, and health and safety parameters. The Supplier Code of Conduct outlines the same. Keeping in mind the compliances such as EPR, the organization has started taking steps to get itself registered.

**Essential Indicator**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	2022-23 : Energy Savings -The energy initiatives across all manufacturing units resulted in real reductions of GHG emissions by 8138 tCo2e and an overall savings of ₹ 471 lakhs.
Capex	3.681% (779.62 Lakhs)	0.56% (182.6 Lakhs)	2021-22 : Potential fuel savings of 3.2 KL per annum and energy savings of 7,26,271 KVAH per annum. Air Cooled chillers (2no's*400TR) were replaced with 1000TR Water cooled chiller achieving energy savings of 23,16,488 kvah/annum.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The Company strives to uphold responsible procurement practices throughout its supply chain. It has implemented well-defined protocols to identify and approve vendors, ensuring rigorous standards are met. To ensure the highest quality of products, periodic site audits, regulatory approval checks and regular samples analyses are conducted.

Suppliers and vendors are evaluated as per procedures on material risk assessment, compliance to environmental regulations, labor laws, carbon footprint, and health and safety parameters for the procurement process.

Granules has a code of conduct for Suppliers which emphasizes its vision and expresses expectation from its Manufacturers/Suppliers/Service Providers/Traders/Consultants/Contractors (hereafter referred to as Supplier(s)), to adhere when conducting business.

The following are the key elements of its Supplier Code:

- ▶ All Suppliers are expected to conduct their business in an ethical manner and act with integrity. Suppliers 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.
- ▶ Suppliers must comply with all applicable environmental regulations and obtain and maintain all required environmental permits, licenses, and registrations.
- ▶ Suppliers 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 shall establish a management system designed to ensure compliance with applicable laws and regulations, identify and mitigate related operational risks, and facilitate continuous improvement.

- b. If yes, what percentage of inputs were sourced sustainably?

100% of Key Starting Materials (KSMs) are sourced sustainably

All our Key Starting Materials (KSMs) vendors are good manufacturing practice (GMP) compliant adopting sustainable practices. As part of routine audits apart from Quality we also rate them for sustainable practices.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for

(a) Plastics (including packaging)

(b) E-waste (c) Hazardous waste and

(d) other waste.

S. No.	Product	Product Process to safely reclaim the product
1.	Plastics (including packaging)	The recycling and disposal of the plastics (including packaging) is carried out as per the Central Government rules and the provisions of the Plastic Waste Management Rules.
2.	E-Waste	E-waste is disposed off through a registered recycler.
3.	Hazardous Waste	Hazardous waste is disposed off to Treatment, storage, and disposal facility (TSDF) or authorized cement industries for further treatment and disposal or compressing.
4.	Other Waste	Bio-medical waste is disposed off through authorized common bio-medical waste facilities.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Granules comes under the purview of EPR and has started the Registration process under plastic waste management rules under importer category.

We have engaged "Recykal" a partner authorized by Central Pollution Control Board (CPCB) to support us in registration process and guiding us for EPR compliance.

Leadership Indicator

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following form at?

NIC Code	Name of Product / Service	% Of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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The Company has performed LCA as per the requirements of ISO 14001:2015 – Environmental management systems in the previous periods. Currently, the Company is under the process of assessing LCA requirements.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
	Not applicable.	

3. Percentage of recycled or reused input material to total material (by value) used in production (For manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or reused input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year

Not Applicable

Being in the business of healthcare, the safe usage and quality of our products are of highest priority. As per Good Manufacturing Practice (GMP) and as a responsible pharma manufacturer, we do not reuse any material/chemical for manufacturing.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed of.

Not Applicable, we do not reclaim our products and packaging material at end of life of products.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
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We do not reclaim our products and packaging material.

**Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

This Principle encompasses all policies and practices relating to the equity, dignity and well-being, and provision of decent work. It focuses on medical health, employee wellness, retirement benefits, health and safety initiatives and grievances of employees and workers. Business should recognize employee engaged within a business or in its value chain, without any discrimination and in a way that it promotes diversity. Granules focuses on the well-being of the employee and provides benefits, provides equal opportunity to all its employees and has a PWD enables workplaces. Trainings and upskilling program are rolled out for all employees and workers with a strong data tracking mechanism. Granules has a stringent Health and safety system which are ISO certified. Hazop and other health and safety risk assessment are carried out. There are Occupational health centres established at the sites for employees and workers. Safety observations and interactions programme are in place to identify and report all near misses; unsafe acts and unsafe conditions. The Principle expands on the same and highlights Granules policies and processes.

Essential Indicator**1. a. Details of measures for the well-being of employees.**

The Company is covering the employees under the group medical health insurance policy and ESI as per their applicability. All employees are covered under Group personal Accident policy. Maternity/Paternity benefit is also provided.

Employees Wellness and wellbeing is of high priority for the Company. In view of providing integrated health care and support services to its employees and their families, the Company tied-up with “**Ekinicare**” integrated platform that provides access to multitude of healthcare services such as 24*7 chat with doctors, health check-ups at concessional rates, medicines purchase and delivery, access to Gyms etc.

With the endeavor to promote physical and mental wellbeing for all the employees, the Company Employee comprehensive annual health camps like Eye, dental and cardiac checkups. The Company also organizes quarterly health awareness campaigns and conducts meditations sessions, stress management sessions by eminent speakers. We also conduct activity-based programmes to encourage fitness in employees through Zumba sessions, Walkathons, Stepathons, etc.

Category	% Of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	3,410	3,410	100%	3,410	100%	NA	NA	3,410	100%	Not Available	
Female	240	240	100%	240	100%	240	100%	NA	NA		
Total	3,650	3,650	100%	3,650	100%	240	100%	3,410	100%		
Other than Permanent employees											
Male	Not Applicable										
Female	Not Applicable										
Total	Not Applicable										

b. Details of measures for the well-being of workers:

Category	% Of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	Not Applicable										
Female	Not Applicable										
Total	Not Applicable										
Other than Permanent workers											
Male	All are covered under Employee State Insurance Act (ESI), Further benefits depend on the policies of the contractor										
Female	All are covered under Employee State Insurance Act (ESI), Further benefits depend on the policies of the contractor										
Total	All are covered under Employee State Insurance Act (ESI), Further benefits depend on the policies of the contractor										

2. Details of retirement benefits.

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employee covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employee covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	NA	100%	100%	NA
ESI	22%	99%	Yes	23%	99%	Yes

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

We are currently reviewing the options to make our premises accessible to differently abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy

The Company has an internal equal opportunity Policy and reiterates its commitment in its code of conduct as follows:

The Company is an equal opportunity employer and makes employment decisions based on merit. We want to have the best available persons for every job. The Company prohibits unlawful discrimination based on race, colour, creed, gender, age, nationality, marital status, national origin or ancestry, physical or mental disability, medical condition including genetic characteristics, sexual orientation or any other consideration made unlawful by Central, State or local laws. It also includes a perception that anyone has any of those characteristics or is associated with a person who has or is perceived as having any of those characteristics. All such discrimination is unlawful.

The Company is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of the Company and prohibits unlawful discrimination by any employee of the Company, including supervisors and co-workers. Weblink: <https://granulesindia.com/wp-content/uploads/2022/03/COBC.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	81%		
Female	73%	73%	NA	
Total	97%	80%		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	(If yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	
Permanent Employees	Any employee who has a grievance shall initially inform his/her supervisor verbally. In case he/she is not satisfied with the resolution, they shall formally approach the Grievance Redressal Committee by a written application. There is an internal “Grievance redressal Policy” on the intranet which enunciates the detailed redressal mechanism.
Other than Permanent Employees	



7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees						
- Male						
- Female						
Total Permanent Workers						
- Male						
- Female						

Not applicable

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year				FY 2021-22 Previous Financial Year					
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	3,410	3,300	97%	3,100	91%	3,443	3,218	93%	3,000	87%
Female	240	240	100%	220	92%	243	223	92%	210	86%
Total	3,650	3,540	97%	3,320	91%	3,686	3,441	93%	3,210	87%
Workers										
Male	1,806	1,600	89%	1,500	83%	1,716	1,469	86%	1,450	84%
Female	417	400	96%	350	84%	313	293	94%	250	80%
Total	2,223	2,000	90%	1,850	83%	2,029	1,762	87%	1,700	84%

9. Details of performance and career development reviews of employees and worker:

Our new Performance Management System connects Company's objectives and Units/functional objectives with individual employee goals, up to managerial level through rigorous review process. This enables our employees to work on stretched targets while meeting the Company's objectives.

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees*						
Male	3,410	2,740	80%	3,443	2,674	78%
Female	240	171	71%	243	160	66%
Total	3,650	2,911	80%	3,686	2,834	77%
Workers						
Male	Not Applicable**					
Female	Not Applicable**					
Total	Not Applicable**					

* The Company considers employees joined till December of every year for the purpose of performance evaluation. Hence, the above data includes employees joined till December 2022.

** There are no specific performance evaluations for workers. Every six months salaries would be revised based on Minimum Wages Act.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

Yes, we strive to adhere to the standards as per Environment, Health & Safety (EHS) and Sustainability. The failure of compliance to these standards lead to regulatory, reputational, and business continuity risks which may in turn impact sustainability of our business adversely.

We have an occupational health and safety management system certified as per ISO 45001:2018. We also have occupational Health Centers in formulation facility at Gagillapur, and API facilities at Jeedimetla, Bonthapally and Visakhapatnam. The system is ably supported by various teams which drive safety initiatives to accompany the goal in line with occupational health and safety.

The Company has full-time doctor(s) at all its manufacturing facilities, who attend to any medical issues that arise. The employees also have access to 24/7 nursing assistance onsite.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Processes used to identify work-related hazards Both Routine and Non-routine

- ▶ Hazop (Hazard and operability) studies have been undertaken to Minimize the risk of hazardous substances and energy being emitted, reducing the consequences of a release of the hazardous substances and identification of non-obvious hazards. In the current year we have carried out 62 Hazop studies across units.
- ▶ Applying the Guide Words (No, Less, More, Reverse, etc.) to each of the Process Parameters (Temperature, Pressure, Flow, Level, etc.), to identify deviations from the design intent
- ▶ Determining if the control system and emergency systems are adequate and are sufficiently reliable to prevent each deviation – in the form of an initiating event and enabling conditions – from escalating to an undesirable process incident
- ▶ Estimating the severity of the consequences of each undesired incident, taking into account mitigation safeguards and conditional factors
- ▶ Process Hazard Analysis – to identify and analyze potential causes and consequences of fires, explosions, releases of toxic or flammable chemicals, and major spills of hazardous chemicals.
- ▶ Risk Assessments – To identify health and safety hazards and evaluate the risks presented within the workplace, evaluate the effectiveness and suitability of existing control measures
- ▶ Fire safety management procedures are established in all workplaces
- ▶ Hazard Identification and Risk Assessment (HIRA) process is adopted for identification of work-related hazards in all units.
- ▶ SOP's and Work instructions are issued for the safe conduct and handling of chemicals.
- ▶ Periodic safety inspections and safety audits are conducted to monitor the compliance to the system requirements and any deviations are immediately highlighted and corrective actions taken.
- ▶ Work permit systems to specify the conditions and procedures for safe execution of the work and to allow the work to be carried out under controlled risk conditions.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

The Company has well-established Standard Operating Procedures (SOP) for employees and workers to identify and report on work-related hazards and the subsequent steps to mitigate them. Safety observations and interactions programme in place to identify and report all near misses, unsafe acts and unsafe conditions.

The Company trains all its employees and workers with occupational health and safety modules. Which cover aspects of the methodology to identify work-related hazards, analyses the risks associated with it and take subsequent steps to mitigate them.

During the emergency evacuation drills, employees are trained in dealing with emergency equipment such as fire hydrants, firefighting systems, leak and spill control procedures, safety alarms among others. The training and safety modules equip the employees with the right procedure of reporting work-related hazards and the steps to remove themselves from such situations.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, the Company provides non-occupational medical and healthcare services to its employees. Further, the Company ensures the provision of Group medical insurance to all its employees and dependants.

Contract Employees are provided with health benefits from Employees state insurance (ESI).

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.12	0
	Workers	0	0.15
Total recordable work-related injuries*	Employees	7	10
	Workers	11	5
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	1	0
	Workers	0	1

*Medical treatment cases and reportable incidents

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

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.

The Company embeds the guidelines and principles of ISO 45001:2018, OSHA standards, Factory act and other state level regulatory requirements within its Environment Health and Safety (EHS) management system.

The internal EHS policy advocates the provision of a safe working environment to all the employees and contractors. The Company undertakes periodic internal and external audits to assess the safety practices and procedures in alignment with the EHS management system and the ISO 45001:2018 guidelines. The Company undertakes periodic internal and external audits to assess the safety practices and procedures in alignment with the EHS management system and the ISO 45001:2018 guidelines.

As part of the auditing procedures, the Company recognizes the critical areas requiring immediate corrective action and analyses mitigation measures. 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.

13. Number of complaints on the following made by employees and workers

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions Health and Safety	NIL.	The employees report their concerns to the safety committees and the issues are resolved on an immediate basis.				

14. Assessments for the year

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% Statutory bodies, external customer audits, certification agencies and regulatory authorities
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health and safety practices and working conditions.

SOI's (Safety observation interactions) are in place to identify unsafe acts and unsafe conditions at the work site. We encourage employees to observe and report any safety related concerns.

We analyze Incident investigations for implementation of corrective action as well as to learn and prevent future occurrences. All manufacturing locations track incident sharing and safety adherence.

We conduct Risk assessments and periodic reviews and based on investigation Corrective and Preventive Actions (CAPAs) that are generated are horizontally deployed across groups.

Leadership Indicator**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, the Company provides Group term life Insurance for all employees and dependents and Group Personal Accident Policy and Future Service liability.

Contract Workers are provided with health benefits from Employees state insurance (ESI) that covers hospitalization costs in the event of an accident or other unforeseen medical emergencies.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

At Granules, we conduct our due diligence process while onboarding a value chain partner to ensure they are compliant with the various norms and regulations as per the law.

We always adhere to the regulatory and applicable compliance with numerous laws. We ensure that our value chain partners also follow relevant compliance, and it is an essential part of the supplier code.

3. Provide the number of employees/workers having suffered high consequence work related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Employees	1 (Lost Time Injury – Gagillapur unit)	-	Recovering and still on payrolls	-
Workers	-	1 (Lost Time Injury – GIL-Bonthapally unit)	-	Recovered and currently working with Granules

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, Employees who are due for retirement will be intimated six months prior to the date of retirement to enable them to complete all formalities relating to the retirement and terminal benefits. A gift worth three months gross salary will be handed over to the retiring employee on the last working day. The same severance is applicable in case of termination too.

5. Details on assessment of value chain partners:

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

	% Of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	90% of Value chain partners
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The Company works with multiple partners and suppliers to deliver high-quality products and services to its customers. It conducts stringent audits and conducts awareness campaigns to its partners for corrective actions, to ensure compliance.

No corrective action plan has been necessitated on the above-mentioned parameters

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

This Principle acknowledges that business exists within a complex ecosystem that encompasses a diverse array of stakeholders. It considers the fact that actions and operations of businesses invariably leaves a mark on natural resources, habitats, and environment. It establishes an imperative for businesses to proactively maximize the positive impacts by the products and adopting comprehensive measures to minimize and mitigate repercussion on all its stakeholders.

Essential Indicator**1. Describe the processes for identifying key stakeholder groups of the entity.**

The key principle of sustainable growth is an inclusive growth taking all stakeholders along. It is important to map all major stakeholders and understand the material aspects of sustainability that are important to the stakeholders and Granules.

The typical stakeholders for Granules could be customers, investors/shareholders, Suppliers and business partners, Communities and non-governmental organizations, employees and workers.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable and Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/ Shareholders	No	<ul style="list-style-type: none"> Investor and analyst meetings Presentations at industry forums Circulation of the Annual Report and Sustainability Report Communicating Financial Results to shareholders AGM 	Annually/ Half yearly/ Quarterly/ Need-based	<p>Our investors and shareholders provide us with access to financial resources that support sustainable business growth. Ensuring transparent communication with them is essential to retain and strengthen our relationship of mutual trust.</p> <p>Key topics of interest:</p> <ul style="list-style-type: none"> Economic performance Sustainability reporting and disclosures Transparency and disclosure of performance
Customers	No	<ul style="list-style-type: none"> Customers Meets and Feedback 	Half-yearly, and need-based	<p>Our customers provide valuable input that helps us understand their requirements. This enables us to strengthen our product portfolio and serve them better.</p> <p>Key topics of interest:</p> <ul style="list-style-type: none"> Affordable medicines Access to healthcare Emergency medicines
Suppliers and business partners	No	<ul style="list-style-type: none"> Supplier Meets Visits Supplier audit Facility visits Strategic business partner training and development 	Event based and need-based	<p>We depend on our suppliers and business partners for critical business input. It is important for us to understand their challenges and expectations to ensure business continuity and encourage sustainable business practices.</p> <p>Key topics of interest:</p> <ul style="list-style-type: none"> Business ethics and transparency Status of compliance Training and development of partners and suppliers The environmental footprint of operations

Stakeholder Group	Whether identified as Vulnerable and Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> Monthly and quarterly in-house publications Quarterly communication by the Senior Leadership team HR Communications Engagement Programmes 	Regular and need-based	<p>We believe that the collective efforts and passion of our employees determine our productivity and profitability. We are committed to meeting their aspirations and ensuring satisfaction and growth.</p> <p>Key topics of interest:</p> <ul style="list-style-type: none"> Career planning and skill development Market-based compensation, benefits, and amenities Employee welfare programmes
Workers	No	<ul style="list-style-type: none"> Daily/Monthly and quarterly in-house publications HR Communications Safety Programmes 	Regular and need-based	<p>We are committed to Health and wellbeing of our Workers.</p> <p>Key topics of interest:</p> <ul style="list-style-type: none"> Occupational health and safety Safety Awareness Welfare programmes
Communities and non-governmental organizations	Yes	<ul style="list-style-type: none"> Interactions through CSR initiatives 	Continuous and need-based	<p>Connecting with local communities gives us a better understanding of their needs. It helps us contribute meaningfully to sustainable community development. Our partnerships with NGOs and other organizations facilitate our efforts towards creating shared value.</p> <p>Key topics of interest:</p> <ul style="list-style-type: none"> Infrastructure development Education and healthcare Environmental protection

Leadership Indicator**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

As a global pharmaceutical company with a diverse set of stakeholders spread across geographies, we consistently engage with our stakeholders to explore opportunities for collaboration to enhance our core capabilities and create shared value. Feedback from such engagements is shared with the Board on a periodic basis.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, The Company has engaged in materiality assessment to gather opinions and insights from its stakeholders to understand stakeholder expectations, concerns, and interests, including assessing numerous potential environmental, social and governance issues risk factors that may impact our operations.

The inputs of stakeholders were used to determine topics that are material to the Company. The outcome of that materiality exercise would be translated into an Integrated ESG Strategy. This strategy framework helps the Company in framing specific sustainability focus, pillars, goals and targets. Apart from this recent exercise, we believe in consultations with our stakeholders on sustainability to implement our major initiatives.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Skill Development - Pharma Pathshala Granules India Limited has partnered with Swarna Bharat Trust to provide skill development programs to needful youth and support them with employment opportunities.



These youth are given the opportunity to be part of the “Earn & Learn” program. Through various training programs, technical skills are imparted to these targeted youth who are then employable in various pharmaceutical companies. These members are provided with on-the-job training along with opportunities for higher education through the “Self-Managed Team” way of working.

Community Health

Our focus remains steadfast on improving the health and well-being of the communities we work with through sustained interventions. We started a public health clinic in Bonthapally village, which is close to our API facility near Hyderabad.

Equipped with a qualified medical doctor and a paramedic, this clinic provides the first line of treatment for minor ailments such as fever, pains, injuries, among others.\

Principle 5: Businesses should respect and promote human rights

This Principle focuses on upskilling employees on human rights issues, details of basic remuneration, grievances and grievance redressal mechanism. It takes under account the importance of human rights and the awareness amongst organization and its employees. The principle is guided by the United Nation Guiding Principle on Business and Human Rights. The principle sternly affirms that businesses have a crucial obligation to uphold human rights. Additionally, it emphasizes the imperative for businesses to promptly and effectively address any adverse human rights impact that may arise.

Granules India has a Code of Conduct that encloses the human rights aspects. Trainings modules on Code of Conduct highlight the importance of Human Rights.

Essential Indicator

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Granules India sensitizes its code of conduct which covers various aspects of Human rights. Through different training mechanisms and a vigil system in place the Company assures more sensitized workforce towards Human Rights. Granules does not allow engagement of any form of forced labor and child labor and has an internal policy for the same.

Category	FY 2022-23 – Current Fiscal Year			FY 2021-22 – Previous Fiscal Year		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	3,650	3,650	100%	3,686	3,686	100%
Other than permanent				NA		
Total employees	3,650	3,650	100%	3,686	3,686	100%
Workers						
Permanent				NA		
Other than permanent	2,223	2,223	100%	2,029	2,029	100%
Total workers	2,223	2,223	100%	2,029	2,029	100%

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2022-23				FY 2021-22					
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	3,650	-	-	3,650	100%	3,686	0	0%	3,686	100%
Male	3,410	-	-	3,410	100%	3,443	0	0%	3,443	100%
Female	240	-	-	240	100%	243	0	0%	243	100%
Other than Permanent										
Male					NA					
Female										

Category	FY 2022-23				FY 2021-22					
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Permanent					NA					
Male										
Female										
Other than permanent	2,223	2,117	94%	106	6%	2,029	1,758	87%	271	13%
Male	1,806	1,700	94%	106	6%	1,716	1,534	89%	182	11%
Female	417	417	100%	-	-	313	224	72%	89	28%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8	3.50 Cr /Per Annum	2	2.10 Cr /Per Annum
Key Managerial Personnel (KMP)	4	2.37 Cr./Per Annum	2	35 Lakhs/ Per Annum
Employees other than BoD and KMP	3,560	6.39 Lakhs/ Per Annum	261	6.66 Lakhs/Per Annum
Workers			NA	

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Granules has zero-tolerance for non-compliant behavior, and we are totally committed to handling any concern and dilemma related to violation of the Code of Conduct. As a matter of general practice, discuss/report your concern with your manager. In case any stakeholder is not comfortable reporting a potential violation to the supervisor, they can raise their concern to the Head of Department or Unit HR Manager or Compliance Officer.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

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 labor and child labor.

At Granules, we follow a staged process in addressing human rights issues:

Raising Concern	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.
Reporting Violation	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.
Investigation	Every concern and report of violation will be promptly and thoroughly investigated by the Code of Business Conduct Committee and as per applicable law and procedures.
Disciplinary Action	Based on the nature and particulars of violation, the investigation committee recommends corrective and preventive action including disciplinary action.
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 of such reports.

Whistleblower Policy:

We have devised an effective whistleblower mechanism enabling employees to communicate their concerns about illegal or unethical practices freely. The Company has also established a vigil mechanism for employees to report concerns about any unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct.

The prime objective of this policy is to provide employees and Directors an avenue to raise concerns in line with the commitment of Granules to the highest possible standards of ethical, moral, and legal business conduct and its commitment to open, fearless, genuine concern communication. The pre-eminent intention of this policy is to provide necessary safeguards for the protection of employees from reprisals or victimization, for whistleblowing in good faith.

**Prevention of Sexual Harassment Policy (POSH):**

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and rules made thereunder, our Company has formed an Internal Complaints Committee (ICC) for its workplaces to address complaints pertaining to sexual harassment in accordance with the POSH Act. We have a detailed policy for the prevention of sexual harassment at the workplace, which ensures a free and fair inquiry process with clear timelines for resolution.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	All Resolved			
Discrimination at workplace						
Child Labor						
Forced Labor/Involuntary Labor						
Wages						
Other human rights related issues						
		NIL			NIL	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Granules is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for any such conduct. It encourages reporting of any harassment concerns and is responsive to complaints about harassment. Detailed procedure for handling the misconduct and the punishment thereof is clearly defined in the standing orders. Policies for code of conduct and POSH is in place for prevention and resolution of such instances.

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 malefic intent is a violation of the Code. Everyone plays an important role in helping us meet the standards reflected in our Code of Conduct.

"Anonymous Reporting" - We have also established another communication channel that employees can use when they want to report violations confidentially and/or anonymously. Confidentiality is ensured to be fully maintained and information will only be shared on a 'need-to-know' basis, consistent with the need to conduct an adequate review.

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

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the Company has included compliance with human rights requirements as a part of its standard terms and conditions of its Agreements/Contracts entered with the Suppliers and as a part of its Supplier Code of Conduct. It also has a code of conduct which requires suppliers to comply with applicable laws, labor standards, environmental regulations, and uphold human rights and principles of ethics and integrity in their operations.

9. Assessments of the year

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100% of plants and offices are assessed through SMETA (Sedex Members Ethical Trade)
Forced/involuntary labor	Audits, external customer audits as per Pharmaceutical Supply Chain Initiative (PSCI)
Sexual harassment	principles and Statutory authorities, certification agencies.
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

At present, no concerns have been raised. In case it arises, we undertake appropriate improvement measures and corrective actions and keep necessary checks and balances in place to address significant risks/concerns.

Leadership Indicator

- Details of a business process being modified/introduced because of addressing human rights grievances/complaints.**
There has been no human rights violation recorded in the organization in the past and hence we have not made any special amendments to our existing processes or policies.
- Details of the scope and coverage of any Human rights due diligence conducted**
All our policies are defined and designed to protect the value of human rights. In the reporting period, No such due diligence was either warranted or conducted but are covered as part of PSCI audits.
- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**
Yes, as per the requirements of the Rights of Persons with Disabilities, our Company's manufacturing premises and offices have infrastructure for differently abled visitors.
- Details on assessment of value chain partners:**

	% Of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	90% Value Chain Partners
Discrimination at workplace	
Child labor	
Forced/involuntary labor	
Wages	
Others – please specify	
- Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**
At present, no concerns have been raised. In case it arises, we undertake appropriate improvement measures and corrective actions and keep necessary checks and balances in place to address significant risks/concerns.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

The principle underscores the interconnected nature of environmental concerns at local, regional, and global levels, thereby emphasizing the pressing need for businesses to address issues such as pollution, biodiversity conservation and sustainable use of natural resources. The principle encourages businesses to conduct thorough assessments of the environmental impacts arising from their products and operations, taking measures to minimize and mitigate effects. It advocates the adoption of environmental practices and processes that effectively reduce or eliminate impacts across the entirety of value chain

Essential Indicator**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	TJ	262.36	257.70
Total fuel consumption (B) (Self generation) - coal + others	TJ	592.18	577.42
Energy consumption through other sources – (Fuels)	TJ	-	-
Total energy consumption (A+B+C) (Refer Notes below)	TJ	854.54	835.12
Energy intensity per rupee of turnover (Total energy consumption/turnover in Million)	TJ/Million Rupees	0.0217	0.0258
Energy intensity (optional) – the relevant metric may be selected by the entity	TJ/Tons of Production	0.0150	0.0158

Notes:

- ▶ All Conversion factors of fuel density and Default energy conversion factors considered from Defra GHG Conversion Factors 2022.
- ▶ All GHG Emission Factors for Fuels considered from 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
- ▶ All GWP (Global Warming Potentials) Factors for gases considered from IPCC -AR6 WGI Report.
- ▶ Emission factors for grid Energy considered from Central Electricity Authority i.e FY 2021-22 (0.79 tCO₂/MWh) and FY 2022-23 (0.81 tCO₂/MWh).



- ▶ FY 2021-22 Data assurance done by BSI for Environmental Parameters with Exclusions for Unit-3 Bonthapally, Corporate Office and R&D Pune. And Data disclosed in the present BRSR Report with respect to FY 2021-22 data includes the units excluded in BSI data assurance scope. Hence there is increase in GHG Footprint FY 2021-22 from 97,406 tCo₂ to 1,05,358 tCo₂.
- ▶ Applied same Methodologies and factors (IPCC ,Defra ,CEA) for FY 2021-22 for GHG and Energy calculations same as FY 2022-23 as mentioned in S.No 1 to S.No 4.
- ▶ Research centre 2 and R&D -MN Park were established in FY 2022-23 .Hence data reported for R&D FY 2021-22 not includes the R&D facilities established in FY 2022-23.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, We have engaged the British Standards Institution (BSI) for independent assessment of this data.

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

We do not undertake any activity under the PAT Scheme.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water (Municipal water supplies)	3,41,008 KL	3,86,256.4 KL
(iv) Seawater/desalinated water	0	0
(v) Others (Rainwater Harvesting)	11,143	2242
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	3,52,151 KL	3,88,498.4 KL
Total volume of water consumption (in kiloliters)	2,83,330 KL	3,25,081.4 KL
Water intensity per rupee of turnover (Water consumed/turnover) KL/Million Rupee	7.21	10.04
Water intensity (optional) (Water consumption/Ton of production. KL/TON)	4.98	6.16

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, we have engaged British Standards Institution (BSI) for independent assessment of this data.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

We are maintaining Zero Liquid Discharge System and Effluent Treatment Plants with RO Recovery System to ensure that the effluents generated are treated to minimize the environmental impact and reuse the resources wherever possible. The treated water is suitably recycled back into the utility makeup.

We treat our wastewater in ETP/ZLD plants wherever possible, and the treated water is used in utility make-up. Total recycled water is more than 50% within the facilities across locations. In GGP 47.23% of the treated water is recycled. In BPL-1 more than 90.78% of treated water is recycled.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx (see Note 1)	MT	124.1 MT	95.3 MT
SOx (see Note 1)	MT	230.9 MT	186.1 MT
Particulate Matter (PM) (see Note 1)	MT	89.3 MT	93.3 MT
Persistent Organic Pollutants (POP)	Kg	Not Available.* see Note 2 below	
Volatile organic Compounds (VOC)*	Kg	Not Available.* see Note 3 below	
Hazardous air pollutants (HAP)	Kg	Not Available.* see Note 2 below	

Note 1- Currently calculated for Stacks of Diesel Generators (DGs) and boilers

Note 2 - Currently not being monitored would consider monitoring going forward

Note 3 - Data is being monitored through online system but retrieval of data is not feasible as its in the servers of Pollution Control Board (PCB)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, We have engaged the British Standards Institution (BSI) for independent assessment of this data.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) (Refer Notes below)*	tCO ₂ eq	56,261.97	54,831.7
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) (Refer Notes below)	tCO ₂ eq	53,696.04	50,526.5
Total Scope 1 and Scope 2 emissions per rupee of turnover	Ton/Million Rupees	2.80	3.25
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Scope 1 and Scope 2/ Ton of production	1.93	1.99

Note 1 (Exclusions):

1. Company reimbursed fuel purchase quantity emissions is excluded, since currently there is no system in place to measure the same.
2. Rental DG's energy consumption not accounted for corporate office as there is no system to measure Landlord's fuel consumption.
3. Emissions from other GHG gases are very insignificant, Hence only Co2 considered.
4. Sources of Scope1: Fuel reimbursement; Fire extinguishers.

Note 2 (Conversion and Emission Factors):

- ▶ All Conversion factors of fuel density and Default energy conversion factors considered from Defra GHG Conversion Factors 2022.
- ▶ All GHG Emission Factors for Fuels considered from 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
- ▶ All GWP (Global Warming Potentials) Factors for gases considered from IPCC -AR6 WGI Report.
- ▶ Emission factors for grid Energy considered from Central Electricity Authority i.e FY 2021-22 (0.79 tCO₂/MWh) and FY 2022-23 (0.81 tCO₂/MWh).
- ▶ FY 2021-22 Data assurance done by BSI for Environmental Parameters with Exclusions for GIL -3 Bonthapally , Corporate Office and R&D Pune. And Data disclosed in the present BRSR Report with respect to FY 2021-22 data includes the units excluded in BSI data assurance scope. Hence, there is increase in GHG Footprint in FY 2021-22 from 97,406 tCo₂ to 1,05,358 tCo₂.



► Applied same Methodologies and factors (IPCC ,Defra ,CEA) for FY 2021-22 for GHG and Energy calculations same as FY 2022-23 as mentioned in S.No 1 to S.No 4.

► Research Centre 2 and R&D - MN Park were established in FY 2022-23 .Hence data reported for R&D FY 2021-22 not includes the R&D facilities established in FY 2022-23.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, We have engaged the British Standards Institution (BSI) for independent assessment of this data.

7. Does the entity have any project related to reducing Greenhouse Gas emissions? If yes, then provide details.

Producing life-saving drugs involves green-house gas emission and we are working to bring these emissions down by incorporating changes such as design changes and interlocking in AHUs, air-cooled chillers replaced with water cooled chillers, retrofitting LED lighting, power factor improvements, dust collector and flash jet pumps to recover heat from steam condensate.

During the financial year 2022-23, the Granules implemented various energy saving initiatives based on identified potential areas of improvements by reputed external agencies like National productivity council (NPC) and Honeywell (appointed during 2021-22). Our key areas of action include:

Energy efficiency measures:

1. Replacement of Transformers
2. Replacement of blowers
3. Replacement of dedicated Feeder line
4. Replacement of DX Coil System with Chilled Water Coils
5. Provision of interlocking to RT Pumps
6. Reduction of Power usage at GIL-5 Parawada

Renewable energy - Aligning with the Paris Agreement on the reduction of emission of GHG, the Company started using renewable solar energy from the grid through open access.

In the financial year 2022-23, nearly 10% of our total electricity demand was procured from the environmentally friendly open access solar power source. We are looking forward to further exploring this concept and increasing solar power consumption. This clean and renewable source of energy would indirectly help in reducing our carbon footprint.

Rooftop Solar Plant - We have installed a Solar Power Plant at Gagillapur on March, 2023 with a capacity of 320 KWp; with a maximum power generation of 1,200 KWH per day, which in turn would reduce 0.972 MT of carbon dioxide on a daily basis.

Afforestation Project - We are also in the process of converting wastelands into green lands through afforestation. We have adopted forests to conserve biodiversity and as a measure to offset our carbon footprint.

Going further the Company will assess the technical feasibility for Clean Development Mechanism (CDM) project registration at United Nations Framework Convention on Climate Change (UNFCCC).

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	1,081.7	752.1
E-waste (B)	1.6	4.0
Bio-medical waste (C)	1.2	1.5
Construction and demolition waste (D)	0.0	0.0
Battery Waste (E)*	0.0	0.0
Radioactive waste (F)	0.0	0.0
Other Hazardous Waste. Please specify, if any. (G) includes Waste Oil	3,137.01	3,599.62

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1,946.9	2,197.4
Metal Scrap (MS, Aluminium etc)		
Paper and Paper Board		
Glass Waste		
Wood Waste		
Total (A+B + C + D + E + F + G + H)	6,168.41	6,554.62

*Old batteries are disposed to the vendor on "buy back system"

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled - Third Party (Nonhazardous waste, Plastic, Waste oil, E waste)	3,033.61	2,958.12
(ii) Reused		
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste (Hazardous)		
(i) Incineration (includes Biomedical Waste)	64.4	62.4
(ii) Landfilling	406.3	507.5
(iii) Other disposal operations (AFRF/Co-process/Cement Industries,;)	2,664.1	3,026.6
Total	3,134.8	3,596.5

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Although regulated, the industry produces large volumes of waste that can be segregated as hazardous and non-hazardous. Our manufacturing plants generate a substantial volume of solvents or hazardous waste, and we are working towards reducing the same through process optimization and co-processing. Under clean manufacturing, all the solid wastes generated at our manufacturing plants are either sent to cement industries for co-incineration or to authorized vendors.

Hazardous waste and non-hazardous waste are segregated at source and stored at dedicated spaces in the manufacturing facilities. After a thorough sorting, hazardous and non-hazardous waste are handled separately. Hazardous waste is stored category wise in hazardous waste storage areas, and it is then disposed of to Pollution Control Board authorized disposal facilities as per applicable regulations.

Almost 100% of the non-hazardous waste generated at our manufacturing sites is sent to authorized recyclers for recycling.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.

Our Company does not have operations in ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not applicable					



12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
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Yes. We are compliant with all the applicable environmental laws/regulations/guidelines in India.

Leadership Indicator

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources (TJ)		
Total electricity consumption (A)	23.71 TJ	27.45 TJ
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	23.71 TJ	27.45 TJ
From non-renewable sources (TJ)		
Total electricity consumption (D)	238.65 TJ	230.25 TJ
Total fuel consumption (E)	592.18 TJ	577.42 TJ
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	830.83 TJ	807.67 TJ

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
- No treatment	-	-
- With treatment – please specify level of treatment - Common effluent treatment plant (CETP)	68,821 KL	63,417 KL
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kiloliters)	68,821 KL	63,417 KL

3. Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):

Our manufacturing units currently do not fall under “Critical” or “Over-exploited” areas as per the Central Groundwater Board classification.

For each facility/plant located in areas of water stress, provide the following information:

(i) Name of the area:	Not Applicable
(ii) Nature of operations: Not Applicable	
(iii) Water withdrawal, consumption, and discharge:	

4. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent		We are progressing year on year in emission monitoring. The Company has engaged BSI to validate the methodology during the year, going forward we aim to track Scope 3 emission calculations.
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent		
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO ₂ equivalent		

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Our Company does not have operations in ecologically sensitive areas.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

The Company realizes the importance of its resources and thus continuously strives to optimize and make the best possible use of its resources through continuous improvements and operational excellence. The dedicated manufacturing excellence team is continuously thriving for improvements, overall product value enhancement, high impact projects and lean processes. During the financial year 2022-23, we have implemented various energy saving initiatives based on identified potential areas of improvements by reputed external agencies like National Productivity Council (NPC) and Honeywell.

Some of these initiatives include Replacement of Transformers, Replacement of blowers, Replacement of dedicated Feeder line, Replacement of DX Coil System with Chilled Water Coils, Provision of interlocking to RT Pumps, Replacement of RT pumps with Energy efficient pumps, Water Recycle, Usage of renewable energy (Solar power to Grid) at GIL-5 Parawada alongside Supplied 4,03,095 units to grid for the months of April, May and June 2022.



Granules' business model and scale of manufacturing makes us one of the best in resource utilization. During the financial year 2022-23, we have achieved the highest output and productivity which has resulted in reduced consumption coefficients of key utilities such as power, coal, fuel, water etc.

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Elimination of Rejects from RO	Procuring RO treated water in Bonthapally unit to reduce the elimination of rejects.	Reduced 64KLD of rejects
2	Clean Manufacturing	Under clean manufacturing, all the solid wastes generated at our manufacturing plants are either sent to cement industries for co-incineration or to authorized vendors.	More than 84.94% of the solid hazardous waste is disposed off to cement industries for co-processing thereby reducing the GHG footprint.
3	Zero Liquid Discharge System	We are maintaining Zero Liquid Discharge System and Effluent Treatment Plants with RO Recovery System to ensure that the effluents generated are treated to minimize the environmental impact and reuse the resources wherever possible.	Total recycled water is more than 50% within the facilities across locations. In GGP 47.23% of the treated water is recycled. In BPL-1 more than 90.78% of treated water is recycled.
4	Usage of renewable energy (Solar power to Grid)	Usage of Solar energy as an alternative to fulfill the plant power requirement.	The overall Energy Savings by implementation initiatives: 2910106 KWH per annum Or 10.476 TJ >Savings/Avoidance of GHG Emissions by Energy Initiatives - 10.48 TJ/2299.0 GHG in MT of Co ₂ e >The overall Renewable Energy share at Granules is 9.03% of total Energy drawn from Grid >The overall Savings by implementation is ₹ 471 Lakhs

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Enterprise Risk Management (ERM) - The Company has adopted an Enterprise-wide Risk Management (ERM) framework to identify, priorities and monitor top rated business risks. The internal Risk committee as created by the Board monitors, evaluates and manages major risks of the Company on an ongoing basis.

The Company has defined a process through which it monitors its present risk profile and risk appetite to re-priorities some of the risks as part of a long-term risk mitigation plan. Under ERM, Deloitte has been engaged to develop Business continuity Plan (BCP) and support to review the Risk management programme. The Draft BCP is ready and being reviewed by Deloitte.

Disaster management plans are put in place to deal with natural calamities. We have an onsite emergency and individual disaster management plan at Unit levels, considering all the potential scenarios.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity.

No significant adverse impact has been observed during value chain assessments.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

90% of our partners are assessed for environmental impacts. We have regular supplier audits and educate the major suppliers on the environmental aspects.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

The Principle acknowledges that businesses function within established national policy frameworks that serve as guiding parameters for their growth. It recognizes the rightful authority of businesses to engage with governments for addressing grievances. It underscores the importance of ensuring that engagements with public policy positively impacts society at large and aligns with the principles and promotion of societal well-being. Granules believes in the above statements and has been associated with national trade organization to promote policies and regulations related to pharma companies in the country. Taking an onus of its responsibility as a business, Granules in its BRSR has transparently disclosed on the same.

Essential Indicator

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company is associated with 3 trade and Industry chambers/associations

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	Bulk Drug Manufacturer Association of India (BDMAI)	National
3	The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI)	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

We conduct business in a fair and honest manner. Integrity and Transparency are embedded in our core values.

No adverse orders from regulatory authorities have been received on issues related to anti-competitive conduct by the entity.

Name of authority	Brief of the case	Corrective action taken
None		

Leadership Indicator

1. Details of public policy positions advocated by the entity:

The Company is an active member in Bulk Drug Manufacturer Association of India (BDMAI), The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI) and Confederation of Indian Industry (CII) and participates in policy discussions with the regulators and government authorities which serves the Company's interests as well as the interest of wider communities.

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
	Granules, being an active member in Bulk Drug Manufacturer Association of India (BDMAI), represents the pharma industry and takes proactive measures for the benefit of the pharma industry and wider community. We have a Policy on Media and Advocacy which is embedded within our <u>Code of Conduct</u> .				

**Principle 8: Businesses should promote inclusive growth and equitable development**

The principle acknowledges the complex social and economic development challenges of the country. It recognizes the importance of businesses and encourages them to contribute to the overall development of the country.

As a part of its Corporate Social Responsibility, Granules has been actively engaged in anchoring CCSR programs for the benefits of its communities and stakeholders. The organization has identified the themes for CSR and has undertaken projects for benefit of the communities they operate in.

Essential Indicator**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable, There were no SIA undertaken in the current year.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% Of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable. All our units are located in Designated Industrial Estates.						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has an internal Grievance Policy. The Community members can approach the HR manager of the unit, who shall document the grievance and collect the written complaint, which shall be addressed by the Plant Head in consultation with the Corporate Office. The grievance shall be resolved/replied within a period of 30 days from the date of receipt.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

The Company promotes local sourcing and consciously endeavors to source procurement of the goods and services from medium and small vendors from the local areas wherever feasible.

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	3%	3%
Sourced directly from within the district and neighboring districts*	47%	48%

*Procured within India

Leadership Indicator**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Current CSR Projects do not cover any designated aspirational districts

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No, The Company follows a standardized Sustainable procurement policy across all suppliers and vendors.

(b) From which marginalized /vulnerable groups do you procure?

Not applicable.

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable.				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Of beneficiaries from vulnerable and marginalized groups
1.	Elevated Water Tank at Bonthapally of 1,50,000 liters capacity	3,000 families	75%
2.	Elevated water tank at Veerannagudem Village of 1,00,000 Liters capacity	2,000 families	90%
3.	Pradhanmanthri TB Mukh Bharat Abhiyaan	100	90%
4.	Skill enhancement programmes to Intermediate Science Students	180	90%
5.	LV Prasad Eye Institute - Machinery donated for eye research	Outcome will be identified after research	
6.	Funded to Dialysis Center for purchase of equipment to provide the dialysis at nominal prices to poor people	600 persons per month	90%
7.	Appointed 4 Volunteer teachers in Bonthapally Govt. School and paying their salaries by Granules	500 Children	90%
8.	Donated to Sri Venkateswara Pranadana Trust to construct/establishment of Superspecialty pediatric Hospital at Tirupathi	Estimated 5,000 Families WIP - Outcome will be identified after completion of the project	

**Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner**

This principle is based on the fundamental purpose of business which is to provide goods and services that are safe and valuable for consumers. Granules acknowledges that consumers have a freedom to choose, and it strives to offer its products that are safe, user-friendly and have benefits for its consumer base. Additionally, the principles also recognizes that businesses have a responsibility to address negative effects that excessive consumption of their products can have on the well-being of the individual, society and the environment.

Granules understand the importance of businesses to provide safe and valuable products and recognize its role in promoting responsible consumption and strives to abide by the same.

Essential Indicator**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Granules India strongly emphasizes servicing its customers with the best quality products. The Company not only believes in the delivery of the quality products but also believes in on-time service to all its customers. All the customer complaints which are received have been resolved in a timeframe as stated in our Quality standard operating procedures and proposed improvements are incorporated into the processes. Company makes sure that no complaints are pending at the end of the financial year.

Product complaints are trended on a quarterly/annual basis and improvements are made accordingly. Any complaint from a consumer is logged, investigated and a response provided with action plans as required.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	The Company complies with all the regulatory requirements in relation to display of information on product label. Specific data is not available.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

During the year under review, the Company has not received any consumers complaints regarding data privacy, advertisement, cyber-security, restricted trade practices and unfair trade practices. The details of other complaints are stated below:

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services			NIL			
Restrictive Trade Practices						
Unfair Trade Practices						
Other -Packaging, Quality, Transit and others	414	0	-	469	0	-

A root cause analysis is performed to identify corrective and/or preventive actions for each complaint. During the current year, we have provided resolution for all the complaints

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Company has an internal policy available on their intranet.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of consumers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

There are no instances related to re-occurrence of product recalls and/or penalty/action by regulatory authorities on safety and product quality. Hence, no corrective actions are applicable/required. Nevertheless, established quality systems are in place to avoid these instances, if any and to ensure the product quality/safety throughout its shelf life.

Leadership Indicator**1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

- ▶ Active Pharmaceutical Ingredients Catalog - <https://granulesindia.com/products/active-pharmaceutical-ingredients-apis/active-pharmaceutical-ingredients-catalog/>
- ▶ Pharmaceutical Formulations Intermediates Catalog - <https://granulesindia.com/products/pharmaceutical-formulations-intermediates/>
- ▶ Finished Dosages - <https://granulesindia.com/products/finished-dosages/>
- ▶ High Potent Products Catalog - <https://granulesindia.com/products/high-potent-product/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We provide clear instructions depicting the active ingredients of the product, caution for consumption or usage, possible side effects and guidelines for storage/disposal.

Material safety data sheet is provided for each product which provides information related to handling and storage of the product. Product leaflet is provided along with each pack which provide information related to administration of drug, compositions and side effects if any as applicable and all this information is self-explanatory.

Further, we provide very specific disclaimers on all the medicines to ensure the usage only as per the direction of healthcare professionals.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Yes, mail communications rolled out to inform consumers of any risk of disruption/discontinuation of services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Yes, Product name, strength, batch number, expiry date, number of units and manufacturer address details are printed on product labels as per regulatory requirements in readable format.

5. Did your entity carry out any survey about consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No

6. Provide the following information relating to data breaches:**a. Number of instances of data breaches along-with impact.**

NIL

b. Percentage of data breaches involving personally identifiable information of consumers

The Company has not witnessed any instances of data breaches during the year.