



Business Ethics Policy

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Our Purpose

Healing Lives responsibly through pioneering green science

1. Introduction

Granules is committed to upholding the highest standards of corporate governance, fostering ethical practices, transparency, and accountability across all levels of our organization. We recognize our responsibility to build trust with stakeholders and ensure that our operations reflect integrity, fairness, and sound decision-making. This governance policy aligns with Granules' values of " Guiding with Integrity to Build Trust and Foster Sustainable Growth" and provides a framework for ethical leadership, compliance, and responsible management, guiding our actions toward long-term, sustainable success.

2. Scope

This policy applies to all operations, processes, and products across Granules, including all manufacturing facilities, offices, and supply chain activities. It covers our responsibilities in managing Corruption, Information security, Conflicts of Interest, Anti-Fraud, Anti-Money Laundering, Anti-Competitive practices, Ethical business.

3. Policy

At Granules, we uphold the highest standards of ethics and integrity in all our business practices. Our commitment to ethical behavior guides our decision-making processes, ensuring transparency, accountability, and respect for all stakeholders. We strive to foster a culture of honesty and trust, essential for sustainable growth and success.

Our commitments include:

Granules is committed to complying with all relevant rules and regulations, as well as our voluntary commitments, including the

- UN Global Compact (UNGC) Principles
 - Pharmaceutical Supply Chain Initiative (PSCI) Principles
 - Global Reporting Initiative frameworks
 - United Nations Sustainable Development Goals (UNSDGs)
 - Task Force on Climate-related Financial Disclosures (TCFD)
 - Business Responsibility and Sustainability Reporting (BRSR)
 - Companies Act, 2013
 - SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - Prevention of Corruption Act, 1988
 - Prevention of Sexual Harassment (POSH) Act, 2013
 - Whistle Blowers Protection Act, 2014
 - OECD Guidelines for Multinational Enterprises
 - UN Guiding Principles on Business and Human Rights (UNGPs)
 - ILO Core Conventions
 - ISO 26000:2010 – Guidance on social responsibility, including ethical behavior in business.
 - ISO 37001:2016 – Anti-bribery management system standard.
 - Ethical Trading Initiative (ETI) Base Code
 - SA8000 – Social accountability standard for ethical workplace practices.
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- **Anti-Bribery & Anti-Corruption (ABAC):** Granules is committed to conducting business with integrity, adhering to strict anti-bribery and anti-corruption principles. We prohibit all forms of corruption and unethical behaviour in our operations and relationships. Through robust policies, training, and reporting mechanisms, we promote transparency and accountability, ensuring compliance with all applicable laws and regulations.

- **Money laundering:** Granules is committed to preventing money laundering and ensuring compliance with all relevant laws and regulations. We implement stringent policies and procedures to identify and mitigate risks associated with financial crimes. Through employee training and monitoring, we promote a culture of integrity and transparency, safeguarding our operations from illicit activities.
- **Anti-competitive practices:** Granules is dedicated to fair competition and strictly prohibits anti-competitive practices in all aspects of our operations. We adhere to applicable laws and regulations, promoting ethical behaviour in our market interactions. By fostering a culture of transparency and compliance, we ensure that our business practices support healthy competition and benefit consumers.
- **Conflict of interest:** Granules is committed to maintaining the highest standards of integrity and transparency in all our dealings. We recognize the importance of identifying and managing conflicts of interest to uphold trust and fairness. Employees are expected to disclose any potential conflicts and adhere to our policies, ensuring decisions are made in the best interest of the company and its stakeholders.
- **Fraud:** Granules is dedicated to preventing fraud in all its forms and maintaining the integrity of our operations. We have implemented robust internal controls and reporting mechanisms to detect and address fraudulent activities. By fostering a culture of transparency and accountability, we empower employees to report suspicious behavior, ensuring the highest ethical standards are upheld throughout the organization
- **Information Security:** Granules is committed to protecting the confidentiality, integrity, and availability of our information assets. We implement comprehensive information security policies and practices to safeguard sensitive data from unauthorized access and breaches. Through continuous training and awareness programs, we promote a culture of security, ensuring that all employees understand their responsibilities in protecting information and maintaining trust with stakeholders.

4. Goals & Targets

Business Ethics	<ul style="list-style-type: none"> • Foster a culture of ethical business practices across all operations and supply chains. • Conduct 100% ethics training for employees, suppliers, and third-party partners, with annual refreshers.
Anti-Bribery & Anti-Corruption (ABAC)	<ul style="list-style-type: none"> • Uphold a firm zero-tolerance policy toward bribery and corruption. • Implement a robust ABAC compliance monitoring system with 100% coverage of high-risk areas. Conduct annual internal and external audits to ensure policy adherence.
Money Laundering	<ul style="list-style-type: none"> • Prevent money laundering through stringent controls and employee awareness. • Establish an automated monitoring system for suspicious transactions and ensure 100% employee training on anti-money laundering.
Anti-Competitive Practices	<ul style="list-style-type: none"> • Ensure fair competition and compliance with global antitrust laws. • Conduct regular training on anti-competitive practices for relevant teams, with 100% participation. • Implement an annual review of business practices to identify and mitigate potential risks.
Conflict of Interest	<ul style="list-style-type: none"> • Maintain transparency by managing and mitigating conflicts of interest. • Establish a digital conflict of interest disclosure system, with annual mandatory declarations from 100% of employees in key roles.

Fraud	<ul style="list-style-type: none"> ● Achieve zero tolerance for fraud through proactive prevention, detection, and response measures. ● Conduct biannual fraud risk assessments and ensure all employees undergo fraud prevention training, with 100% coverage of high-risk departments.
Information Security	<ul style="list-style-type: none"> ● Ensure zero data privacy and cybersecurity breaches while enhancing information security maturity. ● Achieve ISO 27001 certification by FY2027. ● Conduct an annual third-party vulnerability threat assessment, along with IT & OT security gap and convergence assessments. ● Implement annual cyber safety awareness and refresher programs with 100% employee coverage. ● Develop a robust incident response plan and conduct biannual drills to test system resilience.

5. Governance:

At Granules, we seek to foster a robust system of governance founded on the principles of integrity, transparency, and accountability. Our Board and senior management ensure that our governance framework aligns with our core values and principles.

Our Board of Directors is pivotal in overseeing and guiding our governance practices. Comprising experienced professionals from diverse backgrounds, the Board sets the strategic direction and monitors compliance with regulatory requirements and ethical standards. Their leadership ensures that Granules operates with the highest integrity and ethical conduct.

BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles that are considered to be performed by members of the Board, as a part of good governance practice.

The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of the Committees are placed before the Board for review. The Chairman of the Committees apprises periodically about the working of the Committees to the Board. The Board has currently established the following statutory and non-statutory committees:

We have seven Board-level Committees, namely:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Share Transfer and Stakeholders Relationship Committee
4. Sustainability & Corporate Social Responsibility Committee
5. Risk Management Committee
6. Business Review Committee
7. Growth Opportunities Evaluation and Investment Committee

S.No	Name of Committee	Key Role
1	Audit Committee	The primary objective of the Committee is to monitor and provide effective supervision of the management's financial reporting to ensure adequate, accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The Committee oversees the work carried out by the management, statutory auditors and internal auditors about the financial reporting process and the safeguards employed by them.
2	Nomination and Remuneration Committee	The role of the Committee is to oversee the selection of Directors and Senior Management Personnel based on criteria related to the specific requirement of expertise and independence. The Committee evaluates the performance of Directors and Senior Management Personnel and recommends to the Board the remuneration payable to Directors and Senior Management Personnel of the Company. It has also worked with management to review the organization design, plan for upgrading and retaining talent at all levels, review succession plans for key positions and the performance management systems.
3	Share Transfer and Stakeholders Relationship Committee	The Committee looks into various aspects of the interest of the shareholders. The Committee ensures cordial investor relations and oversees the mechanism for the redressal of investors' grievances. The Committee's composition and terms of reference comply with the provisions of section 178 of the Companies Act, 2013 and regulation 20 of the Listing Regulations.
4	Sustainability & Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee has been entrusted with the specific responsibility of reviewing corporate social responsibility programs. The scope of the Committee also includes approving the budget for CSR activities, reviewing the CSR programs, formulation of annual action plan and monitoring CSR spending.
5	Risk Management Committee	The Committee was constituted by the Board of Directors with its prime responsibility to implement and monitor the risk management plan and policy of the Company. The Committee's composition and terms of reference comply with the provisions of regulation 21 of the Listing Regulations as amended from time to time.
6	Business Review Committee	The Board constituted a Business Review Committee to advise on all matters related to the management/operations of the Company. The Business Review Committee meets periodically to review <i>inter alia</i> the operational and financial performance of the Company.
7	Growth Opportunities Evaluation and Investment Committee	The Board Constituted a Growth Opportunities Evaluation Committee to guide the management for exploring various inorganic growth opportunities.

6. Transparency

We are dedicated to monitoring and achieving our sustainability objectives by establishing key performance indicators (KPIs). Each KPI will be tracked at regular intervals, ensuring rigorous evaluation to assess our progress and implement necessary adjustments.

We will communicate our progress through our Annual Report, Sustainability Report in accordance with GRI standards, UNGC Communication of Progress (CoP), BRSR disclosure, Ecovadis and CDP Disclosures. We will share our data through platforms such as SEDEX, M2030 and Project Gigaton, ensuring transparency and accountability in achieving our sustainability objectives.

7. Communication

We will engage and collaborate with stakeholders, including employees, suppliers, communities, and customers, to foster a shared responsibility for our Sustainability objectives

8. Review

This policy will be reviewed every two years, or as needed, to maintain alignment with best practices and evolving regulatory standards in governance. The Compliance Officer is responsible for overseeing the implementation and review of this policy. Granules remains committed to continual improvement, adapting our governance strategies in response to new insights, regulatory updates, and industry advancements.

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