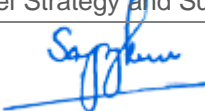




Social Policy

(Doc. No. GIL / ESG / 201-01)

Approved by	
Name	Sanjay Kumar
Designation	Chief Strategy and Sustainability Officer
Signature	

Our Purpose

Empowering Communities through Responsible and Inclusive Practices

1. Introduction

Granules India Ltd. (Group) is committed to fostering a positive social impact by promoting inclusive, equitable, and responsible practices across our operations. We recognize the importance of supporting our employees, communities, and stakeholders through fair labor practices, diversity, and community engagement. This policy is aligned with Granules values of "Empowering Communities through Responsible and Inclusive Practices" and serves as a guiding framework for our social initiatives, ensuring that we contribute to the well-being and development of the people and communities we serve.

2. Scope

This policy applies to all operations, processes, and products across Granules India Ltd. (Group), including all manufacturing facilities, offices, subsidiaries, and supply chain activities. It covers our responsibilities in managing Occupational Health and Safety, Diversity, Corporate Social Responsibility (CSR), Skill Development, Working Conditions, Labor Relations, Employee Wellbeing, Child and Forced Labor, and Human Rights.

This policy is applicable to all employees, workers, contractors, and other stakeholders associated with Granules, directly or indirectly. All parties are expected to adhere to the principles outlined in this policy to uphold Granules' social responsibility and ethical business standards across all aspects of the business.

3. Policy

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)
- Social Accountability Standard (SA 8000)
- International Labor Organization (ILO) Conventions
- Universal Declaration of Human Rights (HDHR)

4. Our Commitments

Granules is committed to respecting and promoting human rights throughout its operations and value chain. We strive to create a safe, inclusive, and supportive work environment where every employee and stakeholder is treated with dignity and fairness.

- **Human Rights:** We ensure fair treatment, non-discrimination, and a safe, inclusive work environment. Through rigorous policies and partnerships, we actively protect and promote human rights, aligning with international standards and fostering a culture of integrity and respect.
- **Health & Safe Workplaces:** We prioritize health and safety through continuous risk assessments, stringent safety protocols, employee training, and proactive incident prevention measures, fostering a culture of safety and well-being across all operations.
- **Fair Working Conditions:** We ensure compliance with labor laws, fair wages, reasonable working hours, and benefits, while promoting open communication on workplace issues. Our commitment fosters a respectful, supportive, and inclusive work environment that values employee well-being.
- **Child and Forced Labor:** Granules is firmly committed to eradicating child and forced labor across all operations and our supply chain. We strictly adhere to international labor standards and laws, ensuring ethical employment practices. Through rigorous monitoring and partnerships, we work to prevent and eliminate all forms of exploitation, promoting human rights and dignity.

- **Freedom of Association:** Committed to upholding the freedom of association for all employees, recognizing their right to join or form trade unions and engage in collective bargaining. We support an open and inclusive workplace where employees can freely express their opinions and collaborate to promote their interests and well-being.
- **Diversity, Equity & Inclusion:** committed to creating a workplace where all individuals, regardless of gender, ethnicity, or background, are valued and empowered. By promoting equal opportunities and eliminating bias, we ensure an inclusive environment that drives innovation and growth.
- **Non-Discrimination:** Dedicated to fostering a diverse and inclusive workplace free from discrimination. We are committed to treating all employees with respect and fairness, regardless of their race, gender, age, religion, sexual orientation, or any other characteristic. Our goal is to promote equal opportunities and create a supportive environment for everyone.
- **Career Development:** Committed to supporting career development for all employees. We provide access to training, mentorship, and growth opportunities to enhance skills and advance careers. By fostering a culture of continuous learning and professional development, we empower our workforce to achieve their full potential and contribute to the company's success.
- **Corporate social responsibility (CSR):** Granules is committed to corporate social responsibility (CSR) by actively contributing to the well-being of the communities we serve. We prioritize sustainable practices, support local initiatives, and foster partnerships that drive positive social impact. Through our CSR efforts, we aim to create shared value for both society and our business.

5. Goals & Targets

Baseline: FY 2022-23 marks the starting point for evaluating and improving

- **Occupational health and safety:**
 - Foster a safety-first culture and Target zero workplace fatality
 - Identify and execute projects to improve workplace
 - Target zero workplace fatality by identifying set of safety related lead indicators and improving over previous year
 - 10% Y-o-Y reduction in the Lost Time Injury Frequency Rate (LTIFR) till FY 2029-30
 - Conduct mandatory health and safety training for 100% of employees annually, ensuring full participation by FY 2029-30.
- **Access, Diversity and Inclusion:**
 - Achieve gender pay parity by FY 2030-31.
 - All plants to be made accessible for physically challenged people.
 - Ensure equal opportunity in selection and promotion.
 - Develop a process for increasing the pool of women in the CV sourcing and screening stage of recruitment.
 - Achieve a 100% completion rate for diversity and inclusion training for all employees by FY 2026-27.
- **Community impact, relations and development:**
 - Drive health, skilling, environmental sustainability, and Volunteering as part of CSR activity
 - Touch 1 million lives through CSR programs by FY 2030-31
 - Drive health, skilling, environmental sustainability, and Volunteering as part of CSR activity
 - Conduct CSR impact assessment and improve the number of lives impacted by 50% till FY 2030-31.
- **Skill Development:**
 - Identify mandatory training and ensure 100% compliance by FY 2029-30.

- Target 24 hours (3 days) of training and development per employee per year.
- Target to be in the top quartile in the pharmaceutical industry on L&D parameters.
- Aim for 80% of employees to report a measurable improvement in job performance after completing training programs, assessed through follow-up evaluations by FY 2026-27.

- **Workspace Empowerment:**

- Expand employee health and wellness program. Initiate mental health program including access to psychological counselling.
- Foster a positive and inclusive work culture by promoting open communication, providing regular feedback channels, and addressing all workplace concerns within 30 days of being raised.
- Uphold a safe working environment by complying with all safety regulations, providing necessary protective equipment, and conducting routine safety audits and training.
- Increase the number of employees eligible for health care benefits by 20% by FY 2029-30, with particular emphasis on including part-time or temporary employees where feasible.

- **Collaborative Partnerships:**

- Provide training for both management and employee representatives on dialogue and negotiation techniques to promote productive and respectful discussions, improving the overall quality of social dialogue.
- Decrease the average time to resolve employee grievances by 20% by FY 2027-28 compared to the FY 2022-23 baseline, ensuring issues raised through representatives are addressed promptly and effectively.

- **Fair Work:**

- Enforce strict prohibitions against forced, bonded, or compulsory labor, ensuring all employment is voluntary and freely chosen.
- Respond to 100% of reports related to child or forced labor within 24 hours by FY 2025-26, ensuring all reports are investigated thoroughly, with findings reported to senior management and corrective actions implemented where necessary.
- Ensure that 100% of employees and contractors receive annual training on child, forced, and compulsory labor awareness and prevention by FY 2026-27, with refresher courses provided every two years.
- Achieve 100% compliance with safe hiring practices, including age verification processes, by FY 2025-26, to ensure no underage workers are hired at any company-owned facilities.

- **Global Rights:**

- Commit to respecting and promoting human rights for all affected by company operations, including communities, supply chain workers, and external stakeholders, aligned with UN Guiding Principles.
- Collaborate with suppliers and contractors to promote fair labor practices, including safe working conditions, fair wages, and freedom of association in the supply chain.
- Conduct annual human rights impact assessments across all operations and high-risk areas by FY 2026-27, with action plans for identified risks.
- Ensure 100% of key suppliers sign and follow company human rights standards by FY 2026-27, with regular audits for compliance on fair labor and anti-discrimination.

6. Responsibility

Granules has established a three-tier governance structure for adequate management of sustainability aspects at various hierarchy of the organization.

Responsibilities:

Tier 1 - Sustainability and CSR Committee at Board level:

Sustainability and CSR Committee is responsible for setting strategic objectives, overseeing performance, and ensuring alignment with our corporate values and goals. The committee will provide leadership and guidance on sustainability initiatives, ensuring they are integrated into our business strategy.

Tier 2 - Management team at the Executive Level

The Management team at the Executive Level will be responsible for implementing sustainability initiatives and driving progress toward established goals.

The team will be responsible for developing the roadmap, execution plans and review the progress and will appraise the same to the Sustainability and CSR Committee. It shall consist of members to manage and coordinate the sustainability process, and strategically guide the Company towards achieving short-, medium-, and long-term targets.

Tier 3 - Execution team at Plant level

Execution team at site level comprised of individuals across various departments who are responsible for implementing specific sustainability projects and initiatives.

The Execution team at site level will be chaired by the respective Plant Heads. The Head of API/FD Operations and the Chief Sustainability Officer will be invited members for the plant level meetings.

This team works closely with management to ensure that sustainability linked targets and projects are executed as per agreed plan. The team is responsible for implementation of the targets and shall regularly review progress against their respective KPIs and update the management team of the progress and bottlenecks, if any.

The plant execution team comprise of nominated members from the Engineering and Project, Procurement and Supply Chain, EHS, HR, Corporate Sustainability team and other departments as and when required.

Plant Level Committees:

At Granules, we have established various plant-level committees to foster a safe, inclusive, and engaging work environment.

- **Internal Complaints Committee (ICC):** Ensures a harassment-free workplace by addressing grievances and promoting a respectful environment.
- **Canteen Committee:** Focuses on employee welfare through the management and improvement of dining services.
- **Works Committee:** Promotes harmonious employer-employee relations, fostering collaboration and understanding.
- **Grievance Committee:** Resolves employee concerns promptly, ensuring a supportive and responsive work culture.
- **Safety Committee:** Maintains high standards of health and safety across all operations, prioritizing employee well-being.

Together, these committees ensure that social governance is deeply embedded in our daily operations, reinforcing our commitment to transparency, employee well-being, and continuous improvement.

7. Transparency

We are dedicated to monitoring and achieving our social objectives by establishing key performance indicators (KPIs). Each KPI will be regularly tracked to ensure thorough evaluation, measure progress, and implement necessary improvements.

The Social Responsibility Committee, reporting to the Board, is responsible for overseeing the implementation of this policy. Progress against social targets is reviewed semi-annually by the Board and quarterly by the executive team. Granules is committed to transparency and will report annually on our social impact, achievements, and progress toward our objectives.

We will communicate our progress through our Annual Report, Social Responsibility Report, and other relevant disclosures. Additionally, we will share our data through platforms that promote transparency and accountability in our social initiatives.

8. Communication

We will actively engage and collaborate with stakeholders, including employees, suppliers, communities, and customers, to promote shared responsibility for our social objectives. Through open and continuous dialogue, we aim to build trust and address the needs and concerns of all affected parties.

9. Review

This policy will be reviewed every 2 years or as needed, to ensure its relevance and alignment with evolving social standards, best practices, and regulatory requirements. The Chief Sustainability Officer will analyse performance data and stakeholder feedback to identify areas for improvement. Granules is committed to continual improvement and will adjust our social strategies in response to emerging trends, insights, and stakeholder feedback.

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