



Sustainability Policy

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Our Purpose

Healing Lives responsibly through pioneering green science

1. Introduction

Granules is committed to embedding sustainability into the core of its operations, upholding the highest standards in environmental stewardship, social responsibility, governance, and ethical business practices.

This policy outlines our commitments across the key pillars of Environment & Climate Change, Labour & Human Rights, Governance, and Responsible Supply Chain. We aim to drive sustainable growth while ensuring our responsibilities remain at the forefront of our operations. Through innovation, collaboration, and continuous improvement, we strive to contribute to a healthier planet, a fairer society, and a more transparent and ethical business landscape.

2. Scope

This policy applies to all employees, contractors, consultants, temporary staff, suppliers, and any other personnel engaged with Granules across all locations and business units.

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,
- ILO Conventions
- the Science Based Targets initiative (SBTi) frameworks,
- Global Reporting Initiative frameworks
- United Nations Sustainable Development Goals (UNSDGs)
- ISO 14001: Environmental Management Systems (EMS)
- ISO 45001: occupational health and safety (OH&S) management system

Environment and Climate Change

Granules is dedicated to minimizing its environmental impact and actively contributing to global climate action. We recognize the importance of protecting natural resources and reducing our ecological footprint through sustainable practices.

- **Climate Action:**

Granules committed to achieving net-zero greenhouse gas (GHG) emissions by 2050, aligned with the Science Based Targets initiative (SBTi) and the 1.5°C pathway outlined in the Paris Agreement. Our approach involves setting interim emission reduction targets, focusing on decarbonizing our operations, supply chain, and product lifecycle. We are committed to reducing Scope 1, 2, and 3 emissions through a combination of energy efficiency improvements, increasing our use of renewable energy, and partnering with suppliers to reduce upstream and downstream emissions. We will monitor and report our GHG emissions transparently to track our progress towards our emission reduction goals.

- **Energy Efficiency:**

We aim to minimize our energy consumption and reduce greenhouse gas emissions by continuously improving energy efficiency across our operations. Our focus is on increasing the use of renewable energy, optimizing energy use in manufacturing processes, and adopting innovative technologies to reduce our environmental impact.

- Water Stewardship:**
 We are dedicated to conserving and efficiently managing water resources by applying the principles of Reduce, Reuse, Recycle, and Recharge (4R). Our focus is to minimize water consumption, invest in advanced recycling and reuse systems, and implement water-saving technologies across our operations, reducing our dependence on freshwater sources.
- Wastewater Recycling:** We are dedicated to treating and recycling wastewater generated from our operations to minimize the discharge of pollutants into the environment. Our goal is to implement advanced wastewater treatment technologies and processes to ensure the quality of discharged water meets or exceeds regulatory standards.
- Rainwater Harvesting:**
 We understand the value of rainwater as a precious resource. We promote rainwater harvesting initiatives across our facilities to capture and utilize rainwater for non-potable purposes such as landscaping, cooling systems, and toilet flushing. By harvesting rainwater, we aim to reduce pressure on local water sources and enhance water resilience.
- Waste Management:**
 We are committed to reducing waste generation, promoting recycling, and minimizing the disposal of waste to landfills. Through waste reduction initiatives, resource recovery, and waste segregation programs, we strive to minimize our environmental footprint and promote the circular economy principles.
- Biodiversity Protection:**
 We are committed to minimizing our impact on biodiversity through responsible land management practices, habitat preservation, and conservation initiatives. We will work collaboratively with local communities, conservation organizations, and regulatory authorities to protect and restore biodiversity in areas where we operate.
- Air Pollution Control:**
 We are committed to minimizing air pollution emissions from our operations through the use of advanced pollution control technologies, regular maintenance of equipment, and adherence to regulatory requirements. We strive to reduce emissions of particulate matter, volatile organic compounds (VOCs), and other air pollutants to safeguard air quality and public health.
- Circular Economy:**
 Promote product design and innovations that reduce environmental impacts, encourage recycling, and minimize waste at the product end-of-life.
- Materials, Chemicals and Waste:**
 we are committed to the responsible management of materials, chemicals, and waste throughout our operations. We prioritize the use of sustainable materials and environmentally friendly chemicals, adhering to strict safety and regulatory standards. By implementing waste reduction strategies and promoting recycling, we strive to minimize our environmental impact and promote a circular economy.

Labour and Human Rights

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.
- Customer health & Safety:**
 Committed to ensuring the highest standards of customer health and safety in all our products and services. We prioritize quality and compliance with regulatory requirements, conducting thorough testing and risk assessments. By fostering transparency and open communication, we aim to build trust and provide safe, effective solutions for our customers.
- 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.

Business Ethics

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.

- **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.

Sustainable Procurement:

Granules is committed to sustainable procurement practices that prioritize environmental responsibility, social equity, and ethical labor standards. We work closely with suppliers to ensure that materials and services are sourced sustainably, minimizing environmental impact and promoting fair labor practices. By integrating sustainability into our supply chain, we aim to enhance our overall commitment to corporate responsibility and support a healthier planet.

4. Goals & Targets

Climate & Environment	
GHG Emissions	<ul style="list-style-type: none"> • Net-Zero Target: <ul style="list-style-type: none"> ○ Granules committed to reach net-Zero GHG emissions across the value chain by FY 2050 • Near-Term Targets: <ul style="list-style-type: none"> ○ Granules committed to reduce absolute scope 1, Scope 2 and Scope 3 GHG emissions 42% by FY2030 from FY2023 base year. • Long Term Targets. <ul style="list-style-type: none"> ○ Granules committed to reduce absolute scope 1, Scope 2 and Scope 3 GHG emissions by FY2050 from a FY2023 base year.
Energy	<ul style="list-style-type: none"> • Granules committed to increase the active annual sourcing of renewable electricity to 100% in FY2030. • Energy intensity reduction by 20% by FY 27
Water	<ul style="list-style-type: none"> • Achieve Water Positivity by FY 2032 • Water intensity reduction by 27% by FY 27
Waste	<ul style="list-style-type: none"> • Achieve Zero waste to landfill by FY 30 • Increase coprocessing of waste to 95% by FY 26. • 27% reduction in waste to landfill by FY 27

Social	
Social	<ul style="list-style-type: none"> • Touch 1 million lives through CSR programs by FY2030 • Foster a safety-first culture and Target zero workplace fatality • 10% Y-o-Y reduction in the Lost Time Injury Frequency Rate (LTIFR) • Achieve gender pay parity by FY2030 • Achieve a 100% increase in women's representation across the organization by 2030 compared to FY24 levels. • All plants to be made accessible for physically challenged people • Ensure equal opportunity in selection and promotion • Identify mandatory training and ensure 100% compliance • Target to be in the top quartile in the pharmaceutical industry on L&D parameters • Provide training and career growth opportunities for all employees, with a focus on skill development and leadership capacity-building.

Business Ethics	<ul style="list-style-type: none"> • Upholds a firm zero-tolerance policy towards bribery and corruption, • Ensure Zero data privacy and cyber security breaches • Target ISO 27001 certification by year FY2027 • Conduct an annual third-party vulnerability threat assessment, IT & OT security Gap & Convergence Assessment • Conduct annual cyber safety awareness & refresher program for the targeted audience within the organization and ensure 100% coverage
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Sustainable Procurement:	<ul style="list-style-type: none"> • Communication of sustainability Expectations through supplier code of conduct /Supplier Sustainability Program/ Purchase Order to 100 % Suppliers • Obtain Signatory on Climate & Environment commitment goals (Pledge) covering 85% of Supply value by FY 2025
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5. Governance

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

Level	Name of Committee/Team	Members	Meeting Frequency
Tier-1	Sustainability & Corporate Social Responsibility (CSR) Committee of the Board	<ul style="list-style-type: none"> ▪ Chairman & Managing Director ▪ Executive Director ▪ Independent Director 	Half Yearly
Tier-2	Management team at the Executive level	<p>Chairperson: Joint Managing Director & Chief Executive Officer</p> <p>Convener: Chief Sustainability Officer</p> <p>Members</p> <ul style="list-style-type: none"> ▪ Chief Financial Officer ▪ Head of Sourcing and Supply Chain ▪ Head of API Operations ▪ Head of FD Operations ▪ Chief Human Resource Officer ▪ Head of EHS ▪ Head of Legal ▪ Head of Marketing ▪ Head of IT 	Quarterly
Tier-3	Execution team at Plant level	<p>Chairperson: Plant Heads</p> <p>Invited members:</p> <ul style="list-style-type: none"> ▪ Head of API/FD Operations, ▪ Chief Sustainability Officer, ▪ Corporate Head of EHS 	Monthly or as and when required

		Convener & Co-Convener: Head of Engineering & Plant Head of EHS Members <ul style="list-style-type: none"> ▪ Engineering and Projects ▪ Production /Manufacturing ▪ Procurement and Supply Chain ▪ EHS ▪ HR ▪ Corporate Sustainability team ▪ Other departments as and when required 	
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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.

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 Report, 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

This policy is communicated to all relevant stakeholders through appropriate channels to ensure clear understanding and engagement.

8. Review

This policy will be reviewed every 2 years or as needed to ensure alignment with evolving sustainability standards and goals.

End of the document