



Business Ethics and Integrity

Context

The pharmaceutical industry is intrinsically characterized by several compliance requirements, especially at the licensing, inspection, and procurement stages.¹² All pharmaceutical products must meet stringent quality standards mandating regulatory governments and certification body approvals. Beyond compliance, displaying ethics and transparency at various stakeholder interaction points is crucial for ensuring product safety.¹³ Moral principles are to be upheld in all communication touchpoints with investors, employees, customers, peers, the government, and the environment – ensuring consistent adherence to product quality and safety standards. In conclusion, the pharmaceutical sector must address significant ethical challenges by developing specialized codes of conduct. Empathy and compassionate leadership are essential for fostering a culture of integrity. Companies must remain vigilant in promoting honesty at all levels. Granules is committed to upholding high standards of corporate governance and complying with SEBI regulations.

We operate within complex value chains where ethical practices and compliance are essential. It's vital to align our intentions with our actions, ensuring that every interaction with Customer, employees, suppliers, investors, and regulators adheres to the Granules code of conduct.

Approach

Granules' code of conduct applies to all stakeholders, including employees, suppliers, and contractors. We urge them to avoid unfair trading practices, irresponsible advertising, corruption, and anti-competitive behavior. Granules actively monitor unethical conduct and has a grievance redressal mechanism to address non-compliance. This policy provides a structured way for employees and workers to report code violations.

The Board of Directors' Code of Conduct outlines principles of integrity, conflict of interest management, media interaction protocols, regulatory compliance, and consequences for violations. Similarly, the Code of Business Conduct for Suppliers defines responsibilities for ethical business practices. Compliance is ensured through systematic audits by our procurement and quality teams.

Our commitment to acting with respect for ourselves, our customers, diversity, and inclusion while ensuring quality and future sustainability is deeply rooted in our values and the strategic pillar of Strengthening Core Capabilities.

¹² https://ti-health.org/wp-content/uploads/2017/05/Business_Principles_Pharma_TIUK.pdf

¹³ <https://www.slideshare.net/slideshow/ethics-in-pharma-industry/80487472>





Legal Compliance Tool – Ensuring Compliance through Technology

The Legal Compliance Manager Tool, designed by Ernst & Young was launched by Granules India Limited during May, 2023 and implemented effective from July 1, 2023.

The said Tool covers around 6,000 list of compliances as part of Indian legislations and tracks the progress of compliances applicable to Granules and assesses the compliance health of the organisation. This is an automated mandatory Tool wherein the Users are responsible to report the status of filings as prescribed by statute, report compliances

on a monthly, quarterly, yearly or time based as prescribed under relevant laws. This is a completely automated Tool and the Tool auto generates the Compliance Reports.

Users of the Tool includes HR, EHS, IT, Taxation (Direct and Indirect), Secretarial, Regulatory, Quality, Engineering and others. While Legal Team manages the Tool, trains, and guides the Users, updates the Tool with latest legislations and presents the autogenerated report to the Management and Internal Auditors.

We are extending this Tool to Granules CZRO Private Limited and Granules Life Sciences Private Limited, 100% subsidiaries of Granules India Limited.

Compliance tool implementation in numbers

8

Tracking across
8 compliance categories

8

Tracking across
8 Legislative groups

179

Tracking across
179 Legislations/Acts

6,254

Tracking of 6,254 lime items
for compliance

