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affordable healthcare



ETHICS POLICY

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INDEX

Introduction.....	3
Scope	3
Policy Statement.....	3
Key Focus Areas	4
Sustainability Commitment Objectives.....	5
Sustainability Commitment Targets.....	7
Governance and Allocation of Responsibilities	8
Reporting and Communication Framework	10
SDGs Alignment.....	12
Review Mechanism	13
Employee Acknowledgement.....	14



Introduction

At Shilpa Pharma Lifesciences Limited, we are steadfast in upholding the highest standards of ethics and integrity, embedding responsibility and transparency into every facet of our operations. Our commitment spans critical areas such as preventing corruption, mitigating conflicts of interest, ensuring robust information security, combating fraud and money laundering, and fostering fair competition. By promoting ethical behaviour and accountability across all levels of the organization, we aim to protect stakeholder trust, uphold regulatory compliance, and create a culture of integrity. This policy underscores our dedication to conducting business responsibly, ethically, and in alignment with global best practices, ensuring a sustainable and trustworthy future.

Scope

This policy applies to all operations at SHILPA PHARMA LIFESCIENCES LTD,

Sr.No.	Locations
1.	Registered address of SHILPA PHARMA LIFESCIENCES LIMITED Plot No. 12-6-214/A-1, Shilpa House, Hyderabad Road, Raichur 584135. Karnataka, India.
2.	Shilpa Pharma Lifesciences Ltd - Unit-1 Plot No.1A & 1A P,1B,2,2A, 2B,3A to 3E ,4A,5A,4B & 5B,Deosugur Industrial Area, Raichur 584170, Karnataka, India.
3.	Shilpa Pharma Lifesciences Ltd 100% EOU – Unit II and R &D Centre Plot No.33, 33A & 40-47, Raichur Industrial Growth Centre, Wadloor Road, Chicksugur Post, Raichur 584134. Karnataka, India.

It encompasses all employees, contractors, suppliers, and stakeholders involved in our manufacturing and operational activities.

Policy Statement

At Shilpa Pharma Lifesciences Limited, we are committed to fostering a culture of ethics and integrity across all our operations. We prioritize the prevention of corruption, conflicts of interest, fraud, and money laundering while ensuring compliance with all relevant laws and regulations. By upholding transparency,



Ethics Policy

accountability, and fair business practices, we protect the trust of our stakeholders and maintain the highest standards of governance. Our efforts include promoting ethical leadership, safeguarding information security, and combating anti-competitive practices.

Key Focus Areas

1. **Corruption:** Implement a zero-tolerance policy towards bribery and corruption by fostering transparency, conducting regular anti-bribery training, and maintaining a robust whistleblower mechanism.
2. **Conflict of Interest:** Establish clear guidelines and mandatory disclosure requirements to ensure that employees act in the organization's best interest and avoid personal or financial conflicts.
3. **Fraud:** Strengthen internal controls through regular audits, fraud detection mechanisms, and employee training to identify, report, and address fraudulent activities.
4. **Money Laundering:** Ensure compliance with anti-money laundering regulations through due diligence, regular training, and monitoring systems to detect and report suspicious activities.
5. **Stakeholder Engagement:** Promote transparent and ethical collaboration with stakeholders through open communication, shared values, and active feedback mechanisms.
6. **Board Evaluation:** Conduct regular evaluations of the Board of Directors to uphold ethical standards, improve governance practices, and ensure accountability.
7. **Information Security:** Protect sensitive data through stringent security measures, employee training on cybersecurity, and compliance with data protection laws like GDPR.
8. **Anti-Competitive Practices:** Prohibit unfair practices like price-fixing or bid-rigging and ensure compliance with competition laws through training and oversight.



Sustainability Commitment Objectives

Baseline year: FY 2022-23

1. Corruption:

- Commit to a zero-tolerance policy against bribery and corruption, ensuring all employees adhere to ethical business practices.
- Implement regular anti-corruption training programs to foster awareness and understanding of ethical guidelines.
- Establish and maintain a confidential whistleblower mechanism for reporting any instances of corruption.
- Conduct periodic risk assessments to identify and address areas vulnerable to corrupt practices.

2. Conflict of Interest:

- Develop clear policies for identifying, disclosing, and managing conflicts of interest across all roles and functions.
- Implement a structured process for employees to disclose conflicts promptly and transparently.
- Regularly review and update conflict-of-interest policies to align with evolving organizational needs and legal standards.

3. Fraud:

- Establish robust fraud detection mechanisms, including regular audits and advanced monitoring systems.
- Create fraud awareness programs to educate employees about identifying and reporting fraudulent activities.
- Develop a structured fraud investigation process to address incidents swiftly and effectively.
- Promote a culture of accountability and transparency to deter fraudulent behaviour across all levels of the organization.

4. Money Laundering:

- Ensure compliance with anti-money laundering (AML) regulations through enhanced due diligence processes.
- Establish real-time monitoring systems to track and flag unusual financial transactions.



Ethics Policy

- Collaborate with financial institutions and regulatory bodies to strengthen AML measures.
- Conduct periodic audits to ensure that all financial processes align with AML requirements.

5. Stakeholder Engagement:

- Foster transparent communication with stakeholders to build trust and accountability.
- Develop engagement strategies that align stakeholder interests with the organization's ethical goals.
- Actively involve stakeholders in decision-making processes related to sustainability and governance initiatives.
- Promote ethical collaboration by ensuring partners and suppliers adhere to shared values and standards.

6. Board Evaluation:

- Conduct regular performance evaluations of the Board to ensure alignment with the organization's ethical and governance standards.
- Integrate ethics and integrity metrics into Board assessment criteria.
- Provide continuous development opportunities to Board members to enhance their governance capabilities.

7. Information Security:

- Implement stringent data protection measures to safeguard sensitive information from unauthorized access.
- Provide cybersecurity awareness training to all employees to minimize risks associated with phishing and other threats.
- Regularly review and upgrade information security protocols to align with technological advancements and regulations.
- Prioritize secure data handling practices across all departments, ensuring compliance with data protection laws such as GDPR.

8. Anti-Competitive Practices:

- Conduct regular training programs to educate employees on fair trade practices and legal obligations.
- Establish internal monitoring and reporting mechanisms to identify and address anti-competitive conduct.



- Foster a culture of fair competition by integrating ethical market behaviour into business strategies and partnerships.

Sustainability Commitment Targets

Baseline year: FY 2022-23

1. Corruption

- Ensure 100% of employees complete annual anti-corruption training by FY 2026.
- Establish a whistleblower mechanism across all operations with 100% accessibility by FY 2026.
- Conduct corruption risk assessments for 100% of high-risk business units by FY 2027.
- Ensure full compliance with anti-corruption regulations in all third-party contracts by FY 2025.

2. Conflict of Interest

- Ensure 100% of employees disclose potential conflicts of interest within 30 days of employment by FY 2026.
- Achieve 95% participation in conflict-of-interest training programs annually by FY 2025.
- Resolve 100% of reported conflicts of interest within 60 days by FY 2027.
- Conduct a biannual review of third-party engagements to detect and address potential conflicts starting FY 2025.
- Reduce the incidence of undisclosed conflicts by 50% by FY 2030 through enhanced monitoring.

3. Fraud

- Increase fraud detection rate by 50% by FY 2028 through enhanced monitoring and reporting mechanisms.
- Conduct fraud awareness training for 90% of employees annually by FY 2025.
- Ensure resolution of 95% of identified fraud cases within 30 days of detection by FY 2026.
- Implement fraud detection systems in all major business processes by FY 2027.

4. Money Laundering



Ethics Policy

- Achieve 100% compliance with anti-money laundering regulations across all financial transactions by FY 2025.
- Provide AML training to 90% of relevant employees annually by FY 2026.
- Implement real-time AML monitoring systems covering 80% of high-risk operations by FY 2028.
- Conduct AML audits for 100% of business units annually by FY 2025.

5. Stakeholder Engagement

- Increase stakeholder satisfaction scores related to ethical practices by 25% by FY 2025.
- Conduct stakeholder feedback sessions twice a year across all major operations starting in FY 2025.
- Ensure 90% of suppliers sign the company's ethical compliance agreement by FY 2026.
- Increase awareness of ethical practices among external stakeholders by 40% by FY 2027.
- Engage 100% of key stakeholders in sustainability initiatives by FY 2027.

6. Board Evaluation

- Conduct performance evaluations for 100% of Board members annually starting in FY 2025.
- Achieve 95% Board participation in ethics and governance training by FY 2026.
- Address 90% of Board evaluation recommendations within one year by FY 2025.
- Publish Board evaluation summaries in the company's annual report starting in FY 2025.

7. Information Security

- Reduce data breach incidents by 50% by FY 2028.
- Achieve 100% compliance with data protection laws, such as GDPR, by FY 2025.
- Ensure 95% of employees complete annual cybersecurity training by FY 2026.
- Conduct quarterly audits of critical IT systems starting in FY 2025.
- Implement advanced data encryption technologies in 90% of information systems by FY 2027.

8. Anti-Competitive Practices:



Ethics Policy

- Achieve 100% employee completion of anti-competitive practices training by FY 2028.
- Integrate competition law compliance clauses into 100% of supplier and partner contracts by FY 2025.
- Conduct internal assessments on anti-competitive risks across all business units biennially starting FY 2025.

Governance and Allocation of Responsibilities

The governance structure at Shilpa Pharma Lifesciences Ltd ensures clear accountability in achieving ethical business practices across all operations. This includes the responsibility to uphold integrity, transparency, and compliance with relevant regulations, with a focus on fostering a culture of ethics in all business activities.

Board of Directors

- Set the company's ethical vision and integrity goals.
- Approve policies and initiatives related to ethics, transparency, and governance.
- Ensure that ethical goals align with overall operations and organizational strategy.

Ethics Compliance Manager

- Lead the implementation of the Ethics Policy.
- Monitor compliance with ethics-related regulations and guidelines.
- Report on the company's ethical performance and progress towards objectives.

Ethics, Governance, and Compliance Committee

- Oversee daily ethical practices within all operational departments.
- Work with department heads to implement ethical guidelines, including anti-corruption and conflict-of-interest protocols.
- Recommend improvements to enhance transparency, accountability, and integrity in business practices.

Department Heads

- Integrate ethical principles into daily operations, ensuring adherence to the Ethics Policy.
- Monitor and report on ethical practices, ensuring that all employees understand and implement these principles.
- Ensure compliance with the company's ethical standards, addressing any deviations promptly.



All Employees

- Adhere to ethical business practices in all operations, including fair competition, anti-corruption efforts, and conflict-of-interest guidelines.
- Actively participate in training programs on ethics and integrity.
- Report ethical concerns, potential violations, or any conflicts of interest through the designated reporting channels.

Consequences of violation of policy

Violations of this Ethics Policy are taken seriously and may result in disciplinary action depending on the nature and severity of the breach. The following consequences may apply to employees, contractors, or business partners who fail to comply with the policy:

1. **Internal Investigation:** Any reported or suspected violation will be promptly investigated by the appropriate department (e.g., Human Resources, Legal, or Ethics Committee).
2. **Corrective Action:** Based on the findings, the organization may impose corrective measures to address and mitigate the violation.
3. **Disciplinary Measures:** Disciplinary action may include verbal or written warnings, suspension, demotion, or termination of employment or contract.
4. **Legal Consequences:** If the violation also breaches local laws or regulations, the matter may be reported to the relevant authorities and may result in civil or criminal penalties.
5. **Loss of Business Relationship:** In the case of suppliers, vendors, or business partners, violation of the Ethics Policy may result in termination of contracts or business relationships.
6. **Reputational Impact:** The organization reserves the right to take public or reputational measures, including disclosure in reports or communications, when warranted by the severity of the breach.

Reporting and Communication Framework

The Reporting and Communication Framework for the Ethics Policy at Shilpa Pharma Lifesciences Ltd ensures transparency, accountability, and effective communication with all stakeholders, including employees, customers, regulatory bodies, and the local community.

1. Ethical Performance Metrics

- The Ethical Performance Metrics at Shilpa Pharma Lifesciences Ltd include annual reviews of compliance with key ethical standards, such as anti-



Ethics Policy

corruption and conflict of interest policies. Real-time monitoring will track compliance, including training completion and whistleblower reports. Quarterly reviews will assess performance against ethics targets, identifying areas for improvement. These efforts ensure continuous improvement in ethical practices across the organization.

2. Progress Reporting to Management

- Bi-annual reports will provide management with updates on the Ethics Policy's implementation, highlighting progress, challenges, and key metrics like incident reports, resolution times, and compliance rates. These reports will identify concerns, root causes of violations, and propose corrective actions to ensure effective decision-making and policy adjustments.

3. Ethical Incident Reporting

- A confidential Incident Reporting System will be established for employees and stakeholders to report breaches of the Ethics Policy, including conflicts of interest, corruption, fraud, or unethical behaviour. Ethical incidents must be reported within 48 hours, with resolutions tracked and documented. Management will receive detailed summaries, including root cause analysis and preventive actions. This system ensures transparency, swift handling of ethical breaches, and promotes accountability.

4. Stakeholder and Customer Engagement

- **Customer Communication** will emphasize the company's commitment to ethics, transparency, and integrity in business dealings. A Stakeholder Feedback Mechanism will gather input on the company's ethical practices, identifying areas for improvement. Ethical Partnerships with suppliers and partners will reinforce shared ethical standards and accountability. This approach fosters trust and collaboration with external stakeholders on ethical issues.

5. Employee Engagement and Internal Communication

- Mandatory Ethics Awareness Training will be conducted annually, focusing on anti-bribery, conflict of interest, and policy compliance. Ethical Recognition Programs will reward employees who demonstrate commitment to ethical behaviour, fostering a culture of integrity. Regular Internal Ethics Communications will provide updates on ethical initiatives, achievements, and



Ethics Policy

training opportunities. This approach ensures all employees are informed, engaged, and motivated to uphold ethical standards.

SDGs Alignment





Ethics Policy

Review Mechanism

The Ethics Compliance Manager at Shilpa Pharma Lifesciences Ltd will oversee the annual review of the Ethics Policy to ensure its effectiveness and alignment with the company's ethical goals. The review will assess progress against ethical targets, incorporate stakeholder feedback, ensure regulatory compliance, and adapt to evolving ethical standards. Any updates or changes to the policy will be communicated promptly to all stakeholders to maintain transparency and accountability.

Sr. No.	Date of Revision	Revision History
1.	10/11/2023	Added new environmental issues and aspects.
2.	25/11/2024	Updated the policy to align with revised national and international sustainability regulations and strengthened organizational commitments to SDG targets.

Next Review Date: 25/11/2025

Approved By: K.SHARATH REDDY
(Director)

Signature of Approver:



Ethics Policy

Employee Acknowledgement

I hereby acknowledge that I have read and understood the Ethics Policy of Shilpa Pharma Lifesciences Limited. I recognize the importance of this policy in upholding ethical standards, integrity, and transparency throughout our operations. I commit to adhering to its principles, ensuring ethical behaviour in my role, and supporting the company's ethical goals. I also understand my responsibility to report any ethical concerns and contribute to continuous improvement in maintaining a culture of integrity and accountability.

Name: Arun Kumar Singh

Designation: Sr. Manager

Signature: [Signature]

Date: 06/05/25