



## Business Strategy

Our strategic framework revolves around **strengthening our core, driving R&D and innovation**, and **advancing sustainability**.



The first strategic lever focuses on strengthening our core capabilities by building on our legacy of manufacturing excellence in large volume molecules through continuous innovation and operational excellence. This approach means optimizing scale, efficiency, backward integration into select intermediates, process innovation, achieving cost leadership, mitigating supply chain risks, expanding market presence, and progressing along the value chain in strategic markets through commercial excellence.

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### Strengthening Our Core

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### R&D and Innovation



The second strategic lever empowers us to drive innovation and research and development across our entire value chain, from active pharmaceutical ingredients (APIs) and chemical intermediates to finished formulations. Our R&D investments are directed towards product and process development capabilities and improving the quality of our product pipeline. We have exciting product pipelines in oncology, anti-diabetic segment, large volume molecules, and other dosage forms backed by unique capabilities and technology platforms that we have been developing, such as bio-catalysis and continuous manufacturing.

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### Sustainability



Sustainability is central to our strategic vision, aiming to lead in pharmaceutical manufacturing through responsible practices. Committed to Net Zero by 2050 and aligned with SBTi's 1.5°C pathway, we conducted a comprehensive Scope 3 emissions assessment. Our net zero roadmap includes actions for Scope 1, Scope 2, and Scope 3 reductions. Initiatives include efficiency measures, biofuels, renewable energy, supplier sustainability programs, green molecule platforms, ecofriendly technologies like Biocatalysis, and integrating sustainability into product development through eco scale.

These pillars underscore **our commitment to enhancing manufacturing excellence, fostering cutting-edge research and development, pioneering sustainable practices**, and **ensuring sustained leadership** in the pharmaceutical industry.





## Business Strategy STRENGTHENING OUR CORE

# Fortifying Our Leadership

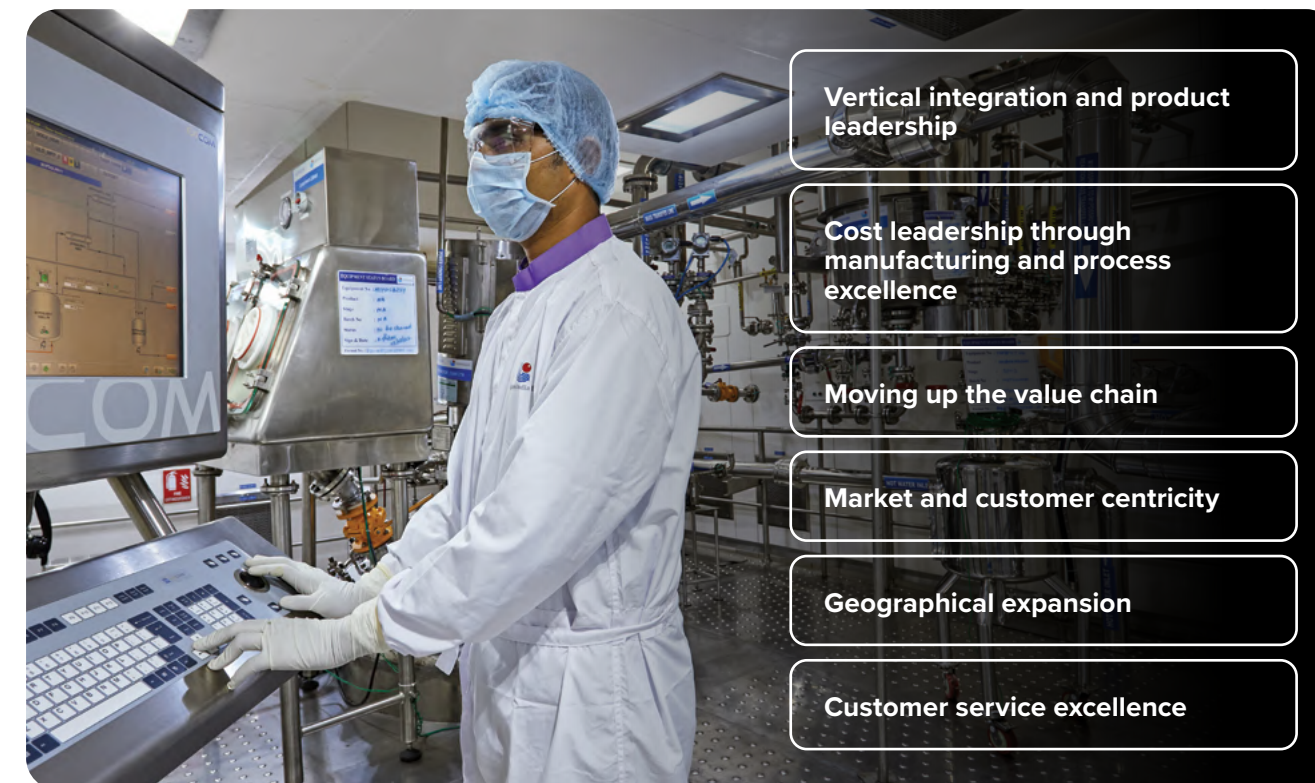
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Our strategic focus lies in improving API and formulations manufacturing productivity, optimizing sourcing and logistics, and implementing a commercial excellence program to strengthen our market presence and expand customer share.

With years of dedicated effort in manufacturing excellence, vertical integration, focused execution, and cost leadership, we have built a resilient business centered around key large volume molecules that has formed core of our business. This achievement has led us to a critical scale and a prominent leadership position in the market. Our core strength lies in our existing product portfolio, relationships with leading customers, including innovators, brand owners and retailers in our key markets, robust pipeline, state-of-the-art manufacturing facilities, and extensive capabilities. We have cultivated a reputation and fostered a culture of manufacturing excellence, leveraging economies of scale, producing large-volume products, and possessing advanced infrastructure for MUPS, oncology, and controlled substances. We are institutionalizing this approach as an ongoing commitment to continuously enhance profitability through a portfolio of value engineering projects. The improved margins from our core business provide us with the resources to invest in future growth drivers and drive innovation-led research and development initiatives.



## STRENGTHENING OUR CORE



Vertical integration and product leadership

Cost leadership through manufacturing and process excellence

Moving up the value chain

Market and customer centricity

Geographical expansion

Customer service excellence





## Business Strategy

### R&D AND INNOVATION

# Catalyzing Growth through Product Portfolio Expansion

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Aligned with our strategic vision of transforming into an R&D-driven organization, we are actively augmenting our product development capabilities. Through these advancements, we aim to broaden our overall capabilities, elevate the quality of our portfolio, and significantly increase the number of regulatory filings.

We now have a network of research centers focused on building critical capabilities in the organization. Our R&D network includes Integrated product development R&D center at Genome Valley, a Center of Excellence (CoE) dedicated to controlled substance APIs and KSM development at Pragathi Nagar, a bio lab for developing Enzyme and fermentation capabilities at Pragathi Nagar, and a Formulation R&D center at Granules Pharma Inc (GPI), Virginia, USA, for developing complex formulations.

We have exciting product pipelines in oncology, the anti-diabetic segment, large-volume molecules, and other dosage forms. Development work for these key APIs, are progressing well in the lab and we are also gearing up to put commercial-scale manufacturing capacity at Unit V for the APIs and advanced intermediates. We have the ANDA approvals for the finished dosage of some of these molecules. With their backward integration enabled by a differentiated technology platform, we aim to reach the leadership position in these molecules. Leveraging the R&D expertise of Pragathi Nagar and Granules Pharma Inc (GPI), we are poised to expand our footprint in controlled substances, solidifying our position in the market.



## BUILDING TECHNOLOGY PLATFORMS

### Enzyme and Bio Transformation

We are transitioning from inefficient and waste-intensive processes such as metallo catalysis and organo-catalysis to an eco-friendly substitute.

### Flow Technology and Continuous Manufacturing Platform

We are leveraging excellence in identified chemistries to drive future innovation.



# Business Strategy

## PIONEERING GREEN PRODUCT DEVELOPMENT FOR SUSTAINABLE GROWTH

We have prioritized sustainability from the early stages, integrating our green chemistry matrix with principles like atom economy, atom efficiency, and E-factor.

### Granules Eco-Scale

Eco-Scale assesses process efficiency through evaluations across

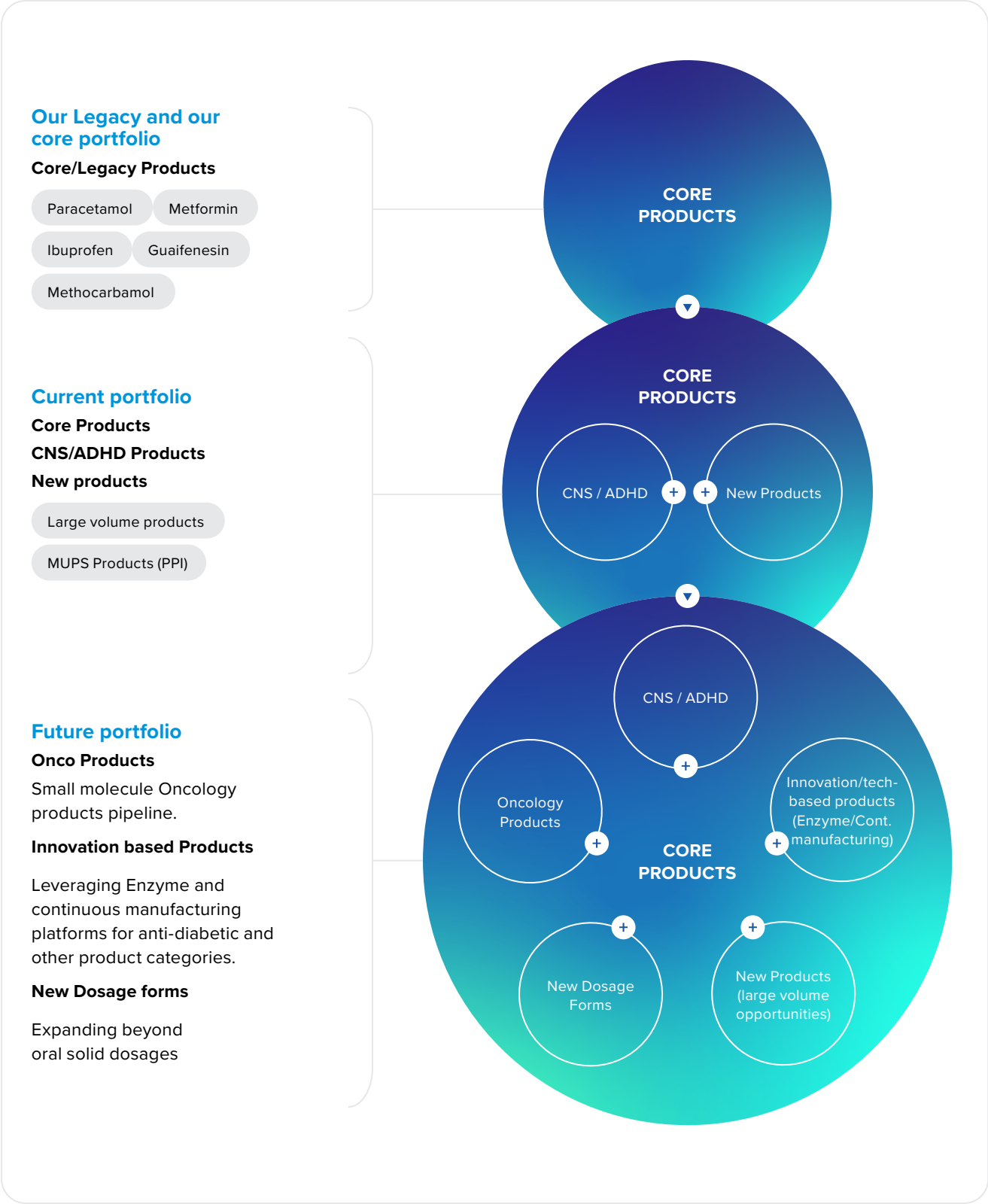
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at every stage.

The Eco Scale integrates our green chemistry matrix with principles such as atom economy, atom efficiency, and E-factor, supported by eco-friendly enzymes and biotransformation. Our superior capabilities in identified chemistries enhance sustainability at product development stage. Operational targets and green score thresholds drive our unwavering commitment to embedding sustainability in each product, cultivating a greener and more responsible approach.

## Our Portfolio Expansion and Outlook





## Business Strategy SUSTAINABILITY

# Charting a Sustainable Future

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Sustainability is a guiding principle in our strategic vision and decision-making process, integrating environmental and social considerations with our business objectives.

We are committed to achieving our net-zero targets by 2050, aligned with SBTi's 1.5°C pathway. We have conducted one of the pharma industry's most comprehensive Scope 3 emissions assessments. Our finalized Net Zero roadmap includes action plans for reducing Scope 1, Scope 2, and Scope 3 emissions through efficiency measures, adoption of biofuels and renewable energy, supplier sustainability programs, and green molecule platform technologies like biocatalysis and continuous manufacturing. Sustainability is integrated into our product development via Eco Scale and Green Card, fostering positive change and responsible business practices.

### In pursuing sustainability, we have implemented the following measures:

- ▶ Conducted a Materiality Assessment and aligned with the United Nations SDGs.
- ▶ Committed to Science-Based Targets (1.5°C pathway).
- ▶ Set a goal for net zero by 2050.
- ▶ Assessed and disclosed emissions across our value chain (Scope 1, 2, and 3) for all subsidiaries.
- ▶ Performed life cycle assessment and product carbon footprint (PCF) for our top five products, covering 64% of our revenue.
- ▶ Rolled out carbon emission reduction measures (CERMs).
- ▶ Launched a supplier sustainability program.
- ▶ Submitted climate commitments to SBTi for approval.
- ▶ Aligned climate risk assessment with TCFD reporting.
- ▶ Started a pilot plant for green molecule initiatives through our subsidiary Granules CZRO.
- ▶ Partnered with NIPER Mohali to establish a center of excellence for innovative and sustainable pharmaceuticals.
- ▶ Advocated for the decarbonization of the pharmaceutical sector at various public forums.
- ▶ Featured our decarbonization plan at COP 28 (Global Innovation Hub of UNFCCC).



### Granules India Limited at the Institute of Directors 31<sup>st</sup> Annual World Congress

In the face of uncertainty, there lies vast potential for innovation and growth. By leveraging green energy and green molecule platforms, we can achieve deep decarbonization across the pharmaceutical industry's supply chain and drive future organizational growth.

### Granules India Limited at Indonesia's 59<sup>th</sup> National Health Day

Climate challenges can serve as a catalyst for innovation in green pharmaceuticals. We can effectively address the global climate crisis by fostering sustainable growth and transitioning to greener practices through technology and innovation.

**Dr. Krishna Prasad Chigurupati**  
CMD, Granules India Limited

