

ENVIRONMENT, SOCIAL & GOVERNANCE (ESG) POLICY

Purpose:

The purpose of this policy is to formalize Laurus Labs commitment to sustainable growth by integrating Environmental, Social, and Governance (ESG) principles into our core operations. We aim to mitigate systemic risks while fostering a culture of safety, health, and ethical integrity for all employees and stakeholders. By embedding environmental stewardship, robust governance framework, and social well-being into our business strategy, we ensure the consistent fulfillment of our global commitments, driving long-term value and operational excellence in everything we do.

Scope:

This policy is applicable to the Company, ("Laurus Labs"). Actions of business partners, including, vendors, contractors, consultants, agent, distributors, suppliers and trainees, can have a direct impact on our reputation. For this reason, we expect our value chain partners to meet the same high standards when working with Laurus Labs.

Objectives:

Laurus Labs is committed to:

1. ENVIRONMENTAL:

1.1 Climate Change:

- Reduce greenhouse gas (GHG) emissions and minimize the organizations carbon footprint to combat climate change. Incorporate concepts of green buildings when designing our facilities and measures the sustainability performance of buildings using rating systems.

1.2 Energy Management:

- Enhance energy efficiency and promote the adoption of renewable energy sources through the implementation of energy management systems, with the objective of reducing overall energy consumption and minimizing dependence on fossil fuels

1.3 Water Stewardship:

- Committed to reducing fresh water withdrawal by managing water resources responsibly, promoting sustainable water practices and commitment to water stewardship and/or collective action.
- Committed to minimizing and controlling the discharge of active pharmaceutical ingredients (APIs) during operations to ensure environmental protection and regulatory compliance.

1.4 Air Pollution:

- To reduce air pollutants, including SO_x, NO_x, Particulate Matter (PM) and Volatile Organic Compounds (VOCs) by adopting cleaner production technologies and improving process efficiency.

ENVIRONMENT, SOCIAL & GOVERNANCE (ESG) POLICY

1.5 Waste Management:

- Adopt and integrate material conservation, recycling, and circular economy principles into our operations and processes to enhance resource efficiency and minimize waste generation.

1.6 Biodiversity:

- Preserve and enhance biodiversity within and around the organization's operational areas.

1.7 Product Stewardship:

- Incorporate green chemistry principles into product stewardship practices to minimize environmental and health impacts associated with product handling, use, and distribution.

1.8 Product End-of-Life:

- Enhance the environmental performance of our products and packing material throughout their life cycle, with a particular focus on end-of-life management.

2. SOCIAL:

2.1 Occupational Health & Safety:

- Preventing work related injury & ill health by eliminating hazards and reducing Occupational Health & Safety (OH&S) risks.

2.2 Child Labour & Forced Labour:

- Ensuring that no instance of child labour, forced labour, slavery or human trafficking occurs in any of our operations and establishments, and supply chain.

2.3 Social Dialogue:

- Recognizes and respects the right of its employees to exercise freedom of association in matters related to their employment, in accordance with company policies and procedures, without any fear of intimidation or retaliation.

2.4 Working Conditions:

- Maintain safe working conditions and fair labour standards, and that they have adequate wages as living wage assessment including contract workers, working hours, and benefits.

2.5 Learning & Development:

- Conduct trainings to strengthen in-house talent both on technical and behavioral skills. The company ensures that employees have right to pursue any career growth opportunity.

ENVIRONMENT, SOCIAL & GOVERNANCE (ESG) POLICY

2.6 Corporate Social Responsibility (CSR):

- Collaborate with the local communities towards social interventions in the identified thrust areas.

2.7 Equal opportunity:

- Encourage an inclusive work environment, wherein diversity is valued, and equal opportunities are available to all the employees.
- Committed to maintaining a workplace that is free from violence, harassment, intimidation and other unsafe or disruptive conditions for all employees, contractors, and stakeholders.
- Promote diversity, equity and inclusion (DEI) in the organization.
- Provide equal employment opportunities to all individuals, regardless of their race, colour, religion, national origin, sex, gender identity, sexual orientation, age, disability, genetic information, marital status, pregnancy, veteran status, or any other legally protected characteristic. All employment decisions, including but not limited to recruitment, hiring, promotions, transfers, training opportunities, and terminations, will be based on qualifications, merit, and business needs.

3. GOVERNANCE:

3.1 Business Ethics:

- Robust corporate governance practices and transparent disclosures.
- Ensuring compliance with applicable legal and other requirements.
- Ensure implementation of business code of conduct & ethics policy.
- Ensure implementation of Anti-Bribery and Corruption policy (ABAC policy).
- Implementation of whistle-blower policy as a mechanism for employees to report any unethical practices.
- Committed to develop and implement information security management system in order to protect organization's information assets from various internal and external threats.

3.2 Supply Chain Management:

- Encourage proactive management of ESG factors in supplier operations to go beyond mere compliance.
- Reducing Indirect Impacts (Scope 3) in environmental and social footprints, prioritize suppliers with strong ESG commitments.

ENVIRONMENT, SOCIAL & GOVERNANCE (ESG) POLICY

- Establish a structured approach to identify, analyse, and mitigate ESG risks, particularly in high-risk suppliers.

4. TARGETS:

Theme	Material Topic	Target details
Environment	Climate Change/ GHG emissions	<ul style="list-style-type: none"> • Reduce absolute scope 1 and 2 GHG emissions 42.0% by FY2031 from a FY 2025 base year. • Reduce scope 3 GHG emissions 51.6% per INR value added by FY 2031 from a FY 2025 base year. • Conduct a Life Cycle Assessment (LCA)/ Product Carbon Footprint (PCF) evaluation for the top 10 products by the end of FY 2030.
	Energy	<ul style="list-style-type: none"> • Achieve an energy efficiency improvement of 15% by FY2030, using FY2025 as the base year. • Achieve 40% renewable energy contribution to total energy consumption by FY 2030.
	Water Management	<ul style="list-style-type: none"> • Achieve a 20% water recycling against business-as-usual projections by 2030 via strategic efficiency initiatives considering the base year FY 2025.
	Waste Management	<ul style="list-style-type: none"> • Striving for Zero Waste to Landfill – 80% of hazardous wastes routed to recycling and co-processing at all operational sites by FY2030.
	Environment Pollutants	<ul style="list-style-type: none"> • Reduce emissions of air pollutants (SO_x, NO_x, and Particulate Matter) by 5% by 2030, compared to the base year FY2025.
	Biodiversity	<ul style="list-style-type: none"> • Conduct a comprehensive biodiversity assessment and implement conservation measures to protect endangered species and critical habitats by 2030.
	Customer Health & Safety	<ul style="list-style-type: none"> • Achieve zero product recall and incidents across the business.

ENVIRONMENT, SOCIAL & GOVERNANCE (ESG) POLICY

Social	Working Conditions	<ul style="list-style-type: none"> Sustain our established fair compensation structure, ensuring 100% of direct and indirect employees continue to receive wages meeting living wage benchmarks.
	Occupational Health & Safety	<ul style="list-style-type: none"> Achieve a goal of zero reportable accidents throughout all operations.
	Social Dialogue	<ul style="list-style-type: none"> Continue to implement the standing orders agreement across all relevant Laurus Labs locations, ensuring that the rights of employees to associate freely and engage in collective bargaining are upheld on a bi-annual basis.
	Equal Opportunity	<ul style="list-style-type: none"> 10% female representation in the Employees by FY 2030.
	Career Management & Training	<ul style="list-style-type: none"> Achieve an average of 48 training man-hours per employee annually by FY 2030. Ensure 100% of employees receive annual refresher training on the Human Rights Policy.
	Child Labour, Forced Labour & Human Trafficking	<ul style="list-style-type: none"> Ensure zero incidents of human rights violations on an annual basis.
Governance	Business Ethics	<ul style="list-style-type: none"> Achieve zero confirmed incidents of code of conduct violation. Achieve zero confirmed incidents of corruption and bribery. 100% of employees are trained on the employee business code of conduct & ethics policy.
	Data Privacy and Security	<ul style="list-style-type: none"> Achieve zero confirmed information security incidents.
	Sustainable Supply Chain Management	<ul style="list-style-type: none"> 100% of key supply partners will be assessed periodically against the Laurus Labs sustainability criteria by the end of the FY 2030. To ensure that 50% of assessed key supply partners follow the environmental, health, and safety, and human rights procedures and policy. 100% of key supply partners establishing and conducting business with Laurus Labs must acknowledge Laurus Labs supplier code of conduct by the end of the FY 2030.

ENVIRONMENT, SOCIAL & GOVERNANCE (ESG) POLICY

		<ul style="list-style-type: none"> • 100% training coverage of procurement team employees on Laurus Labs Sustainability initiatives by the end of the FY 2027.
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5. Implementation & Monitoring:

Laurus Labs implement this policy through regular training, clear communication of expectations to all employees, and ongoing monitoring of ESG practices across our operations and supply chain. We will conduct periodic reviews to ensure that the policy remains effective and that any necessary adjustments are made to align with evolving environmental, governance and societal expectations.

5.1 Governance & Responsibilities:

- Board of Directors: Overall guidance and supervision on ESG matters.
- ESG & CSR Committee: Review and overview of the objectives and targets w.r.t ESG goals and progress.
- ERM Committee: Ensure that a system and framework is in place to address the ESG risks identified in the Enterprise Risk Management Plan.
- Internal Corporate Sustainability Committee: Implement the action plan to achieve the objectives and targets of ESG goals & risks and monitor KPIs.
- Line Management: Responsible for providing leadership and resources to implement the ESG objective effectively.
- Employees & Contract Workers: Accountable for following the requirement of this document on the shop floor.

5.2 Continuous Improvement and Review:

This document will be reviewed as and when required whenever there are any changes triggered by stakeholders, regulations and customer's requirement. Otherwise, it will be reviewed every five years.

Date: 16 Jan 2026



Dr. Satyanarayana Chava
Chief Executive Officer

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Next Review Date : 15-01-2031

First Revision Date : -