

Creating value, sustaining trust



LAURUS Labs

Knowledge . Innovation . Excellence

Integrated Report

FY 2021

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About the report



We are pleased to share our first Integrated Report FY 2020-21, guided by the principles and requirements of the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework, and notified by the Securities and Exchange Board of India (SEBI). The purpose of this report is to provide a holistic overview of Laurus Labs vision and approach towards value creation, stakeholder empowerment and ecological and societal sustainability.

Our reporting guidelines

This report depicts our sustainability philosophy with the goal to provide clear, verifiable, and unbiased information on our performance. The Integrated Report 2020-21 is not only guided by the principles of the International Integrated Reporting Council's (IIRC) Framework but has also been developed in accordance with the Global Reporting Initiative (GRI) Standards with linkages drawn to the National Voluntary Guidelines (NVG) on Social, Environmental and Economic responsibilities of our business. Further, in our endeavour to report sustainability of Laurus Labs we continue to support global initiatives such as the UN Sustainable Development Goals (UN SDGs).

The scope of this report encompasses our sustainability efforts across all our offices and the R&D center in Hyderabad along with multiple manufacturing units in Visakhapatnam. The required data for Energy, Waste Management, Materials, Environmental Impact etc. has been obtained by different internal systems, as well as plant locations—mostly from two of our biggest units in terms of product volumes – Unit 1 & 3 (located at Visakhapatnam, India).

In subsequent sections of the report, we will discuss our performance and key initiatives undertaken across our material issues. The materiality assessment encompassed four key phases, starting with stakeholder identification, and culminating in the finalized sustainability focus areas. Towards the end, a detailed GRI Content Index and suitable references are provided that maps the chapters key activities to GRI standards.



Determining materiality

The report provides information of material significance to our stakeholders in creating short and long-term value across our business. For this reporting year, we have identified thirty-nine areas which are of priority to the nature of our business and categorized them into six assemblies. After in-depth research and review, the material areas have been identified from the Sustainability Accounting Standards Board (SASB) and the MSCI ESG guidance documents and frameworks. These material areas were confirmed after a process of prioritization and through a materiality assessment with the senior management.

Scope of the report

The report provides insights about financial and non-financial aspects of our company's performance in line with the GRI guidelines. The initial sections provide an overview of Laurus Labs, our governance structure, sustainability strategy, overall value creation approach and model and the output and learnings from the materiality assessment for FY 2020-21. The second half of the report entails sections on the five capitals - financial capital, manufacturing capital, human capital, intellectual capital, and social and relationship capital. Towards the end of the report, we have provided a detailed GRI index that makes our reported information traceable and increases credibility and transparency.

Responsibility statement

We (Laurus Labs) fully acknowledge that this Integrated Report is a fair representation of our company's financial, non-financial, and operational and sustainability performance for the reporting year of FY 2020-21. The Board acknowledges that the contents of this report have been assimilated in consultation with various business functions and have been developed under the guidance of the senior management of the company and the respective functional heads.



Highlights of the year



Financial Highlights

Particulars	Standalone	Y-o-Y Growth %	Consolidated	Y-o-Y Growth %
Net revenue	4,769	71%	4,814	70%
EBITDA	1,534	167%	1,573	176%
Profit after Tax	956	258%	984	286%
EPS	17.8	256%	18.3	281%

Sustainability Highlights

Investment towards environmental management

Waste
recycled

2,273MT

Energy
recycled

1,80,522Mwh

Water
consumed

12,23,192KL

R&D spent
4%
of the revenue

Scientists at our
R&D centre
750+

Patents
filed 292 Patents
granted 150

Products
commercialised
since Inception
60+

New products
developed
7

Customers
served
260

Total man-hours
of training
99,000

CSR
expenditure
INR 5.82 Crore

Independent
directors on Board
50%

Our efforts in responding to the COVID-19 pandemic



Employee wellness

<p>18 days of paid leave to all COVID impacted employees</p>	<p>Free medical tests for all symptomatic employees & families to assess COVID infection</p>	<p>Reserved isolation centres for our employees in Visakhapatnam and Hyderabad</p>	<p>All medical expenses for treatment of COVID for both employees & families were borne by company</p>
<p>Granted COVID-19 hardship bonus to all the employees, contract workmen and outsourced manpower</p>	<p>Increased number of buses going to workplaces for maintaining social distance</p>	<p>Through the 'Spandana' program supported COVID-19 impacted employees and their families on a regular basis</p>	



Giving to the community

<p>Donated medicines, safety kits, to the PM CARES Fund and CM Relief Fund to support the healthcare ecosystem</p>	<p>Donated medicines to Andhra Pradesh Government, Telangana Government and Kerala Government</p>	<p>The 'Spandana team' took the initiative of feeding nearly 500 poor and needy people every day</p>
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CEO message



CEO message

In today's unprecedented times, it is essential to have quality healthcare to build a strong society – healthy people make a progressive and prosperous nation. Moreover, the COVID-19 pandemic has served as a wake-up call spotlighting the need to enhance quality and to provide affordable integrated pharmaceutical solutions. Therefore, led by our core mission, we have re-aligned our efforts to combat COVID-19 and respond appropriately to the prevention and containment of viruses.

Paving the way to sustainable growth

We contribute to society in many ways – most importantly by bringing affordable and quality medicines to patients suffering from serious disease. Our robust performance in the Active Pharmaceutical Ingredients (API) space indicates rapid & sustainable growth for the company. It is of utmost priority for us to focus on developing sustainable value for our stakeholders as well as establishing Laurus Labs as a market leader.

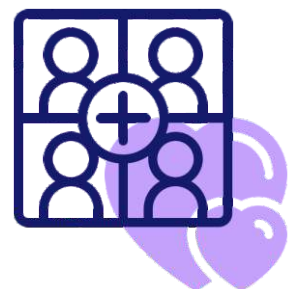
We consider it to be our social responsibility to align our business to reduce our overall environmental footprint, constantly improve the working environment and culture for our employees, empower local communities, and operate our business in the most ethical and a socially inclusive manner possible. For example, as a positive step towards reducing our carbon footprint, we have installed energy-efficient LED lighting as well as set up solar rooftop panels across our facilities. We have also introduced energy-efficient machinery into the manufacturing process resulting in an operational carbon footprint reduction. Our manufacturing facilities (Units 1, Unit 3, Unit 4 and Unit 5) are certified under the Environmental Management System (ISO 14001:2015) resulting in a total waste recycling of 2,273 MT. In 2020-21, there were yield improvements to the extent of 3%-10% in five different products. In our overall R&D programme, we are closely monitoring the repurposing and repositioning of existing drugs. Fifteen dossier products were manufactured for the clients in FY 2020-21. We also reported zero incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling in FY 2020-21.

Stakeholder equity- building, a strong foundation for the future

Our customers, investors, shareholders, partners, suppliers, employees and communities are at the very heart of Laurus Labs. I believe that it is these relationships that enable us to prosper and grow. We work very closely with all our stakeholders and partners across the value chain to deliver affordable and quality products.

We contribute to society in many ways – most importantly by bringing affordable and quality medicines to patients suffering from serious diseases.

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It is our agile strategy that is guided by socio-economic and environmental sustainability that enables us to adjust to the new normal. As we move ahead, we further aim to strengthen our brand, our relationship with our stakeholders, innovate and our commitments to a sustainable future.



We have taken satisfactory steps to safeguard the overall health and well-being of all our employees and their families. With one of the best safety compliant measures taken according to industry standards, we trust not letting the guard down is the best insurance we have against safety accidents. We hire, develop, and meaningfully engage the brightest talent in a collaborative environment to achieve ambitious goals. We pride ourselves on being certified as a Great Place to Work for the third consecutive time in FY 2020-21.

As a responsible business, we are identifying ways to build a more just and equitable society. All through the year, we have invested in the communities in which we operate to improve infrastructure at government schools, inculcate an early interest in science and to improve access to primary healthcare.

Transparent and accountable governance

Our governance and risk processes are primed to keep us informed and prepared for the risks that we face. As we navigate a world that is battling the pandemic, we are prepared to play a key role in shaping the world's response to it and to emerge from it stronger still. We observe a zero tolerance approach towards unethical behaviour, violation of human rights, sexual harassment, abuse or bullying, and any breach of these essentials is dealt with appropriately.

Financial growth

Considering the challenging circumstances, we performed well in 2020-21 with good revenue growth and an improvement in the core profitability. Our consolidated revenues stood at INR 4,814 crore with 70% growth and our EBITDA grew by 176% to INR 1,573 crore. Overall, our financial growth was driven by improving operating leverage, and additional sales and improved product mix. Our Annual Report 2020-21 provides detailed insights into our financial performance.

Towards an equitable and resilient future

As I reflect, FY 2020-21 posed unprecedented challenges, however Laurus Labs moved quickly to adapt its strategy and market position. It is our agile strategy that is guided by socio-economic and environmental sustainability that enables us to adjust to the new normal. As we move ahead, we further aim to strengthen our brand, our relationship with our stakeholders, innovate and our commitments to a sustainable future. Our Board and leadership remain committed to our purpose, even as we work towards creating and delivering value in these disruptive times.

About Laurus Labs



About Laurus Labs

We are an innovative research-driven pharmaceutical and biotechnological company that develops cost effective and quality medicines aiming to enhance health outcomes for patients with a continuous focus on quality, access, and affordability. Since inception, we have leveraged all opportunities to not only secure the quality of lives but also shape a sustainable and value-driven society.

At Laurus Labs, we are a fully integrated pharmaceutical and biotechnology company, with a leadership position in Active Pharmaceutical Ingredients (APIs) in selected high-growth therapeutic areas and major focus on anti-retroviral, Hepatitis C, and oncology drugs. Today, we are one of the leading suppliers of APIs in the ARV therapeutic area for multinational pharmaceutical companies across different parts of the globe.

We are thriving on growth opportunities starting from manufacturing to service to all leading markets of North America, Europe, and low middle-income countries (LMIC). Driving growth opportunities in contract development and manufacturing through our synthesis business, we support drug development and manufacturing programs for global pharmaceutical and biotech companies at all stages, i.e., from pre-clinical stage to commercialization.

Our strong presence in different therapies, focus on compliance, and forward integration into formulations business have cemented our position as an integrated pharma player. Most of our manufacturing facilities are approved by major regulatory authorities, USFDA, WHO-Geneva, UK-MHRA, etc. Our approach remains to identify and invest ahead of time with strategic investments in state-of-the-art R&D and manufacturing infrastructure, enabling us to become a quality supplier in the products we chose.

We attract the best talent, ensure employee retention, and are proudly certified as a Great Place to Work (FY 2018-21) consecutively for three years; given that we operate in a highly regulated sector, we adopt a high-watermark approach to compliance to ensure that we exceed the requirements of all the applicable international standards.

The COVID-19 pandemic has created a global healthcare crisis, and has led to an unprecedented response from people, communities, and the economy. As a response to the pandemic, we have recalibrated our efforts towards key financial, human, social, intellectual, and manufacturing outcomes. As we adjust to the new normal, we are convinced that with our agile and committed workforce, coupled with a culture of innovation, we will continue to deliver sustainable and balanced growth. With our core strengths reinforced, we stand reaffirmed to our promise to deliver on our purpose of building long-term value.



Vision



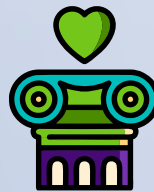
To become a leading player in offering integrated solutions to global pharmaceutical needs in creating a healthier world.

Mission



We constantly strive for innovation to enhance quality and to provide affordable integrated pharmaceutical solutions to facilitate wellness and well-being across the globe.

Values



Knowledge:

Seek to learn constantly to stand out from the crowd



Innovation:

Strike out on new paths to go farther



Excellence:

Scale new peaks in everything we do



Integrity:

Stand up always for what is right



Care:

Be diligent, safe and sensible

Our global presence

*Since inception,
we have commercialised*

60+ products



Serving the top global branded as well as generic pharmaceutical companies, we continuously aim to improve access to quality and affordable healthcare globally, while conducting our business ethically and with utmost respect for the environment and communities. Since inception, we have commercialised 60+ products and are privileged to serve patients across 56 countries. We build on the foundation and experience to help our clients reach relevant markets quicker; and contribute towards improving access to quality and affordable healthcare worldwide.

Whilst working with large global innovator pharmaceutical companies, along with mid and small biotech companies; the majority growth in FY 2020-21 comes from tender-driven opportunities via participation in global funds, PEPFAR and various in-country African tenders.

Capitalising our leadership position in APIs in selected high-growth therapeutic areas, we have leveraged our supplies of APIs to North America and the EU. In total, we have filed 27 Abbreviated New Drug Applications (ANDAs) with the United States Food and Drug Administration (FDA) and have nine final approvals and eight tentative approvals.



Being a fully integrated player, we have a natural advantage and a superior margin profile compared to non-integrated players. At present, we are supplying APIs to most of the players who participate in ARV tenders in the Low and Middle Income Countries (LMIC). We have also acquired Aspen's South African subsidiary to get a foothold in the world's largest generic-accessible ARV market.

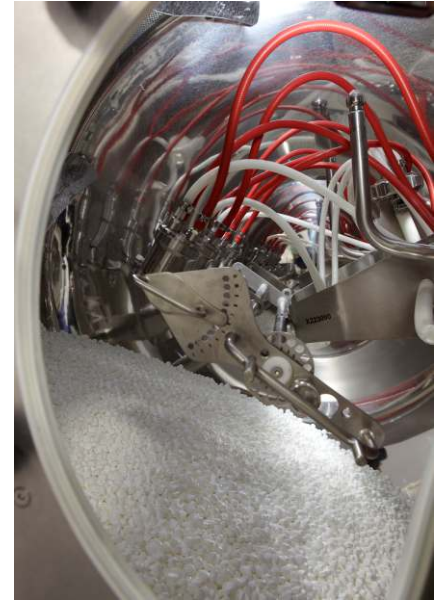
The formation of Laurus Labs Synthesis Pvt Ltd, a wholly owned subsidiary to increase our focus and dedicated R&D makes way for Laurus Labs as a uniquely positioned company to address customer needs at any stage of the product life cycle. With over 150 scientists to provide process chemistry services to our global clients, our contract development and manufacturing organisation (CDMO) division is well positioned to offer manufacturing and development services across the value chain from lifecycle management.

Our products

We work closely with leading innovators, global health organizations, and providers, without compromising quality standards keeping our core philosophy of “One Quality Standard for All Markets”. At Laurus Labs, we have dealt in 60+ commercialised products since inception across four distinct business units: Laurus Generics API and finished dosage forms (FDF), Laurus Synthesis and Laurus Bio.

As one of the world's leading suppliers of anti-retroviral formulations, APIs and intermediates, our low-cost technologies in this critical segment are aimed at increasing access to affordable medicine for patients around the world. With seven world-class manufacturing facilities capable of producing 60+ APIs, we are positioned as suppliers of choice for pharmaceutical companies seeking to leverage our technical expertise and cost-effective manufacturing capabilities. Our state-of-the-art Fixed Dosage Formulations (FDF) manufacturing facility has a capacity of five billion tablets per year, which can be expanded to double the capacity by the end of FY 22

Being one of our core competencies, we offer a comprehensive range of APIs in the oncology segment. We are continuously extending our portfolio by focusing on products in diabetes, ophthalmology, and cardio-vascular therapy areas, where we can make a difference and establish a leadership position. We offer our globally compliant cGMP





facilities, along with our chemistry expertise, to customers for contract development and manufacturing of APIs and intermediates.

We develop and manufacture oral solid formulations, provide Contract Research and Manufacturing Services (CRAMS) and Contract Development and Manufacturing Organisation (CDMO) to esteemed global pharmaceutical companies. As a CRAMS partner to several customers, we follow stringent quality and EHS systems, wide operability range (from grams to multi-tonnage scale) and robust project management practices. The Company is pleased to announce that it has recently received the licence from Defence Research & Development Organisation (DRDO) to manufacture and market 2-Deoxy-D-Glucose (2DG) used in the management of SARS-2 Coronavirus.

Innovative, robust, and scalable chemistry is the core strength of Laurus Labs and our Synthesis business leverages our strong process chemistry skills to provide analytical and research services, clinical research supplies, and commercial-scale contract manufacturing services for global pharmaceutical companies.

At Laurus Labs, we meet all NCE Drug Substance and Drug Product needs of the clients, from preclinical through commercial manufacturing and work closely with the chemical development and tech-transfer teams. Whilst our comprehensive analytical infrastructure complements all types of formulations for NCEs, Generics and other specialty products, we aim at facilitating all the required support in the manufacture and supply of nature identical and highly-pure polyphenols (Curcumin, Resveratrol, and Pterostilbene etc.). We developed technologies for controlled absorption properties.

We also manufacture safe and effective natural ingredients for weight management, sports nutrition, joint health, metabolic disorders, eye health, skin care, and general wellbeing. Our Ingredients division offers Contract Development and Manufacturing services for Nutraceutical clientele through manufacturing procedures that conform to the international compliance standards prescribed by GMP, Kosher, Halal and HACCP, etc.

Awards and recognition



Golden Peacock Award and Company of the Year Award

Golden Peacock Award

for Excellence in Corporate Governance, 2020

India Pharma Leader Award

Won the 'India Pharma Leader Award' which was presented at the 6th edition of the Indian Pharma and Medical Device Awards 2020 flagship event held at the FICCI House in Delhi.

Most Promising Company of the Year Award

Laurus was awarded with the 'Most Promising Company of the Year' in the prestigious CNBC-TV18, Indian Business Leader Awards 2021.

Great Place to Work®

certification for the 3rd consecutive year



Our governance framework

We place great emphasis on ethics, integrity, knowledge, innovation, and excellence maintaining a diverse and vibrant work environment, and upholding transparency in all our dealings

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With the aim to ensure that we keep our stakeholders' interests at the centre of all operations and business decisions, we follow good governance practices. Ethics, integrity, responsible conduct, accountability, and transparency are the core principles of corporate governance at Laurus Labs. We have articulated our corporate governance policies, principles and established a corporate governance framework to ensure that all governance issues are effectively and transparently addressed.

It is our robust corporate governance along with products, that has enabled us to earn the trust of our employees, customers, business partners and all other stakeholders, attract and retain financial and human capital, and maintain social and relationship capital.

The purpose of our governance framework is to provide prudent management and oversight of business to protect the interest of all the stakeholders. It encompasses all of our businesses, subsidiaries, affiliates, and joint ventures, and strongly embeds the Laurus Labs objectives in day-to-day operations. The framework incorporates extensive progress tracking and operational excellence leadership.

Board of Directors

Our Board of Directors serves as a source of advice and counsel in ensuring highest levels of corporate governance through risk control and regulatory compliance. The Board of Directors, inclusive of the shareholders and multiple committees of the board, is governed by a formal board charter that sets out the composition of the Board, its responsibilities, and the process of selection of its members. As on 31st March 2021 there are a total of eight members in the board, which comprises an optimal combination of independent, non-executive as well as executive directors having in-depth knowledge of the business and the industry. The chairman, who is a non-executive and independent director, and the chief executive officer (CEO) have their own roles for better corporate governance standards.

The Board of Directors oversees the organizational management to assure that all the stakeholder demands are met promptly. By responsibly addressing the concerns of the stakeholders in our value chain, the Board of Directors and the senior management team ensure that the long-term interests of multiple parties are recognized. The

committees appointed by the board focus on specific areas where they can make informed decisions and provide recommendations to the board on the matters in their areas.

Core competencies

Our Board of Directors bring a plethora of experience, expertise, perspective, professionalism, and innovative thinking to the table. The members are knowledgeable and experts on governance, technology, financial, and non-financial issues. The following is a list of important competencies specified by the board as necessary for optimal operation in the context of its business and sector, as well as those already accessible to the board



Dr. M. Venu Gopala Rao
Non-executive Chairman
and Independent Director
Audit committee



Mr. Chandrakanth Chereddi
Non-executive Director
Stakeholder Relationship &
Risk Management Committee,
CSR Committee, Audit Committee
and Nomination and
Remuneration Committee



Dr. Satyanarayana Chava
Executive Director and
Chief Executive Officer
Risk management



Dr. Rajesh Koshy Chandy
Independent Director
Audit, Risk Management,
Nomination and Remuneration
Committee



Mr. V. V. Ravi Kumar
Executive Director and
Chief Financial Officer
CSR, Stakeholder Relationship
& Risk Management Committee



Dr. Ravindranath Kancherla
Independent Director
Stakeholders Relationship and
Nomination and Remuneration
Committee



Dr. Lakshmana Rao C V
Executive Director
Risk Management Committee



Mrs. Aruna Bhinge
Independent Director
Audit and CSR Committee

Pharma industry experience	We can strengthen our leadership position only if we have a thorough awareness of the pharmaceutical landscape across several continents, as well as the regulatory jurisdictions that regulate them.
Expertise in quality	We are focused on embedding a quality culture throughout the organization growing the skills and competencies of our employees to deliver high quality output.
Expertise in corporate governance	We develop and implement the highest standards of corporate governance to maximize long-term value for our stakeholders by adhering to the principles of transparency, integrity, professionalism, fairness, and accountability.
Formulation of effective strategy	We undertake strategic decisions with an understanding to seize high value business opportunities in Active Pharmaceutical Ingredients and other areas of research and development

Board committees

The governance structure of Laurus Labs comprises five committees of the Board. Each committee has a well-defined terms-of-reference that enables them to function efficiently, including the swift resolution of concerns. Each committee is a mix of independent and non-independent directors not only adds variety to the Board, but also allows it to function more efficiently.

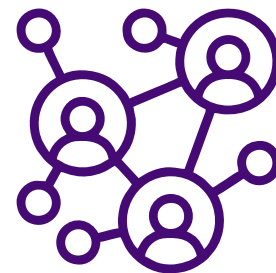
Board meetings and committee meetings are pre-scheduled, and a tentative calendar of meetings is finalised in conjunction with the directors to help them organise their schedules. However, in the event of an urgent business requirement, approval is granted through the circulation of resolutions. Nine board meetings have been organized during the financial year.

Audit Committee (A) plays a critical role in overseeing internal control. The audit committee reviews report of the internal auditors, meets statutory auditors when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company. Our internal audit team provides advice and recommendations on the potential gaps and risks, including potential efficiencies and enhancements to business and processes. The committee is headed by Dr. M Venu Gopala Rao and four other members. During the financial year the audit committee met four times.

Risk Management Committee (RM) periodically reviews risk assessment, minimisation procedures and ensures that the executive management controls risk by means of a properly defined framework, besides reviewing major risks and proposed action plans. The committee is headed by Dr. Satyanarayana Chava and comprises other members.



Stakeholder Relationship Committee (SR) is responsible to periodically look into the functioning of the Company's shareholder/ investor grievance redressal system and oversee improvements in the same, besides reporting serious concerns, if any. The Stakeholders Relationship Committee is headed by Mr. Chandrakanth Chereddi and composed of two other members. During 2020-21, the company received 20 complaints; resolved 20 complaints and no complaints were pending as on March 31, 2021.



Nomination and Remuneration Committee ensures a fair, transparent, and equitable remuneration to employees as well as directors based on the quality of people, their performance and capability to run the company successfully. The committee is responsible to review and evaluate the performance evaluation criteria for the Board, its committees and directors including independent directors. The Nomination and Remuneration Committee of the Board is headed by Dr. Ravindranath Kancharla and comprises two other members. During the financial year the committee met three times.



CSR Committee implements and monitors the CSR initiatives of Laurus Labs in line with the CSR objectives and policy of the Company. The CSR Committee is responsible for developing a CSR plan, apprising the Board of the same and monitoring the status reports of the projects/ programmes submitted to them on a periodic basis. The committee also ensures compliance to the regulatory provisions of the law relating to CSR activities. The committee is headed by Mr. V. V. Ravi Kumar & comprises two other members.

Ensuring ethics and integrity

Our approach to business ethics is about acting with integrity and in compliance with the Laurus Labs code of conduct. The corporate governance framework ensures that we hold ourselves to the highest standards of ethics, transparency, and accountability. We have implemented a robust and globally benchmarked set of policies, including Code of Conduct, Whistle-Blower and Integrity Policy, Prevention of Sexual Harassment Policy, CSR Policy etc

Whistle-blower cases if any	Nil
Sexual Harassment cases if any	Nil

Responsible conduct

The Board recognises the company's role in contributing to the growth and development of the societies in which it operates, as well as our responsibility for our influence on the environment and society, and our willingness to evolve as new priorities emerge. Compliance with laws and regulations is an important part of our citizenship efforts, and we try to augment our compliance procedures by keeping an attitude of compliance.

Accountability and transparency

The Board commits to providing accurate and thorough financial and non-financial reporting, as well as a rigorous feedback mechanism. To protect stakeholder interests, we will adopt best practises for disclosures and be subject to internal and/or external assurance and governance procedures.



Our sustainability strategy



Our sustainability journey

This subsection will capture an infographic mapping of all critical ESG/ sustainability related highlights over the years (since inception)

Key milestones:

FY- 2017

Looking inside - Identify sustainability as key focus area; sustainability is not coincidental but has to be focused, First Great Place to work[®] certification

FY- 2018

First Ecovadis assessment

FY- 2019

First sustainability report - Taking baby steps towards sustainability

FY- 2020

Introspection - Gap analysis with global standards

FY- 2021

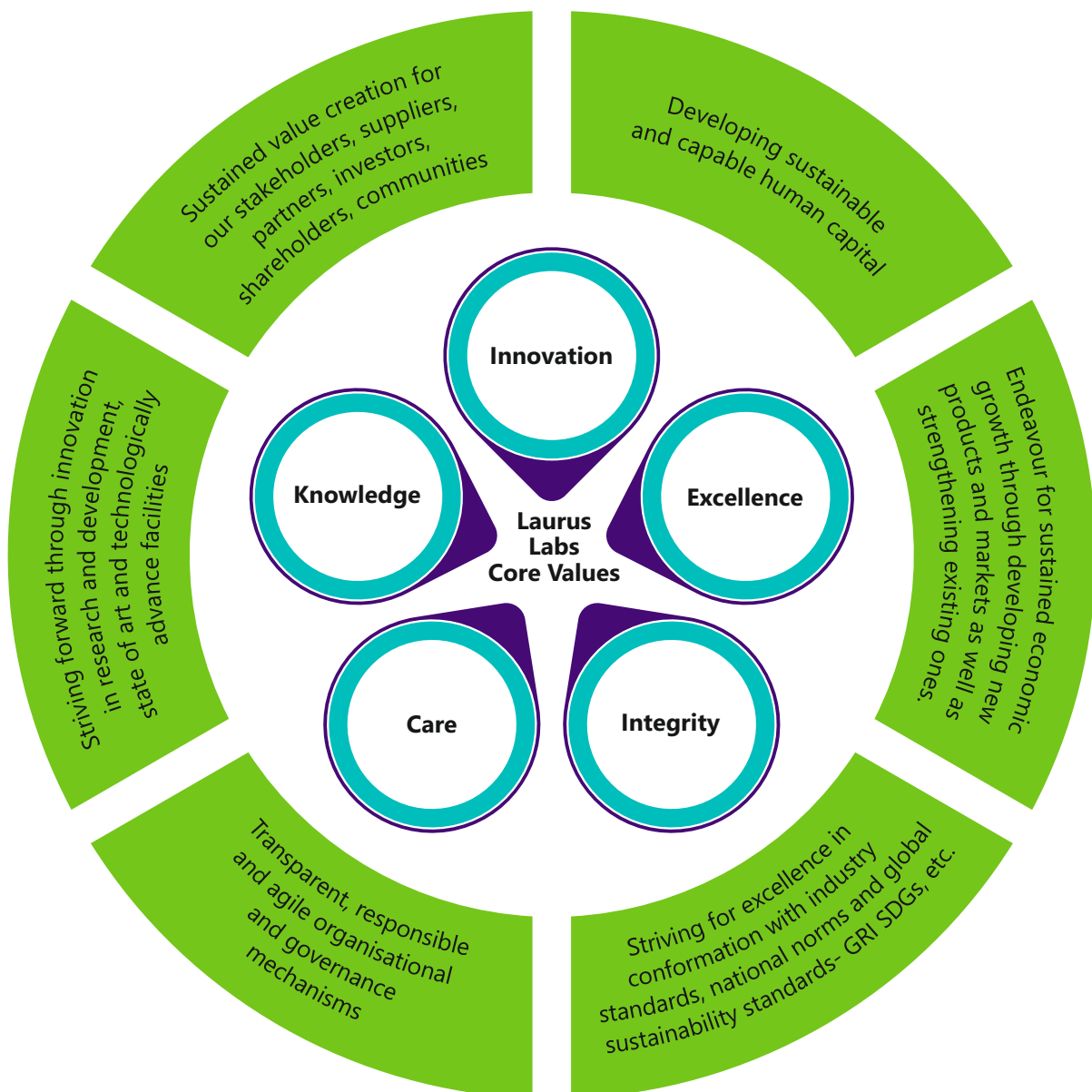
Actions - Align internal procedures towards global standards
Increased benchmarking score from various agencies (Ecovadis, Crisil, MSCI)

Formation of dedicated resources to focus on sustainability

Overall approach for a sustainable tomorrow

As we navigate through these disruptive times, our approach to sustainability (embedded within our value framework) is designed to help us cope with the evolving business environment, responding to the requirements of the global pharmaceutical and health industry and remaining relevant through quality research and innovation.

Our guiding principles for sustainability
























Our value creation model



Our value creation model

Laurus Labs' approach to value creation :

Capitals	Inputs	Our Business	Outputs	Outcomes	SDGs
Financial	<ul style="list-style-type: none"> - INR 107.32 crore - Equity share capital 		<ul style="list-style-type: none"> - INR 984 crore PAT - INR 1,301 crore PBT - INR 4,814 crore Revenue - INR 1,573 crore EBITDA 	<ul style="list-style-type: none"> - Sustained growth in revenue driven by operational performance and innovation - Robust balance sheet - Sustained cash flow and strong liquidity position - Long-term value creation for shareholders through increased returns 	 
Manufactured	<ul style="list-style-type: none"> - 7 Units - Proactive on domestic vendor development in alignment with Make in India - Screening process on sustainability indicators established for vendors 		<ul style="list-style-type: none"> - 60+ Products (7 new added in FY 2021) - 2100 Vendors - 40% of the vendors are from India - 46% of the new suppliers that were screened using sustainability criteria 	<ul style="list-style-type: none"> - Improved infrastructure efficiency - Integrity and safety measures - Sustainable capital investment - Production of quality products with minimum lead time - Waste reduction - Increase in operational efficiency 	   
Intellectual	<ul style="list-style-type: none"> - 750 + Scientists working on R&D - more than 15 years of experience in R&D - 4% Revenue spent on R&D 		<ul style="list-style-type: none"> - 4% of Revenues spent on R&D - 292 Patents filed - 150 Patents granted 	<ul style="list-style-type: none"> - Innovation of new products - Development and deployment of sustainable and green technologies - Building robust brand portfolio - Enhanced quality of products 	 

Capitals	Inputs	Our Business	Outputs	Outcomes	SDGs
Human	<ul style="list-style-type: none"> - 4,492 Permanent employees - 99,000 Training hours 		<ul style="list-style-type: none"> - 8 % Women in the workforce - Zero LTI - 9 Near miss incidents 	<ul style="list-style-type: none"> - Safe & Healthy Workplace - Engaged & motivated workforce - Appropriate/Critical Talent Acquisition - Harmonious Employee Relations 	     
Social & Relationship	<ul style="list-style-type: none"> - INR 5.82 crore - Spent towards community development activities - 260 Customers served 		<ul style="list-style-type: none"> - 10+ Organizations / NGOs supported - 5000+ Families supported - 4000+ Students benefited - 10+ Hospitals PPEs provided 	<ul style="list-style-type: none"> - Upliftment of the society at large - Strong business relationship with suppliers and business partners - Proactive involvement with various government and industry bodies - Improved customer satisfaction/ acquisition - Harmonious employee relations 	          
Natural	<ul style="list-style-type: none"> - 1,80,522 MWh of energy consumption - 12,23,192 KL of water consumption 		<ul style="list-style-type: none"> - 1,04,342MT Operational carbon footprint (Direct) & 4,42,828MT Operational carbon footprint (In-Direct) 1,80,522Mwh Energy consumed - 2,273MT of Waste recycled 	<ul style="list-style-type: none"> - Efforts to alleviate the impact of climate change - Reduction in environmental footprint - Water and resource management 	   

Stakeholder engagement and materiality



Stakeholder engagement and materiality

At Laurus Labs we acknowledge our responsibility to meet stakeholder expectations to position our business better and enhance the value we create. The materiality assessment has allowed us to comprehend stakeholder concerns and helps in developing a strategy that fits our business, prioritizing the most relevant topics and impact.

Over the years we have developed firm-level processes to encourage open and constructive interaction with our stakeholders. It reinforces our understanding of relevant matters and helps us identify those attributes of stakeholders that make them important to our business and necessitate meaningful engagement. Engaging with stakeholders provides us an opportunity to serve them in the best sustainable way and redefine our strategies to deliver the maximum value. By partnering with our stakeholders, we involve them in the decision making, product and process improvement and create an enabling environment to do better together.

We have adopted a structured approach to materiality assessment aligned to the GRI standards and IR framework that includes identifying a broad umbrella of relevant issues and prioritising them based on changing business needs and stakeholder feedback.

Stakeholder engagement framework

Our sustainability programme brings together stakeholders from across the pharmaceutical value chain to identify and address the industry's most pressing environmental issues. One-on-one meetings, annual general meetings, training, group discussions, surveys, and supplier and custodial relationships are all examples of systematic channels of interaction with our stakeholders integrated throughout our business operations.



At a strategic level, stakeholder issues are examined and taken into account. The stakeholder engagement framework represents how we connect with our stakeholders and address their major problems. The table below details the various stakeholder groups that have had direct or indirect contact with Laurus Labs, as well as their ways of involvement and key concerns.

Stakeholder group	Modes of engagement	Key concerns
Customers	<ul style="list-style-type: none"> • Customer audits • One-on-one meetings • Exhibitions 	<ul style="list-style-type: none"> • Safety • Customer data protection and privacy • Product efficacy • Quality • Sustainable supplies
Investors and Shareholders	<ul style="list-style-type: none"> • Financial results/ investor calls • Television and print media interviews • Annual bankers meet • Email announcements 	<ul style="list-style-type: none"> • Business growth/ profitability • Newer opportunities • Risk management, • Governance
Government and regulators	<ul style="list-style-type: none"> • Regulatory audits • Engagement on a need basis • Participation in forums 	<ul style="list-style-type: none"> • Compliance • Stipulated timely reporting • Sustainable practices • Inclusive growth
Employees	<ul style="list-style-type: none"> • Formal induction at the time of joining • Technical and non-technical training programs • Town hall meetings • Operations review meetings • Quarterly newsletters • Intranet portal • International Safety Day celebrations • Laurus Labs Family Day—an annual cultural extravaganza • Annual sports meet • Programs and competitions for employees and their families • Grievance redressal mechanism • Continual feedback sessions • Mailers on Safety, Health especially COVID-19 awareness 	<ul style="list-style-type: none"> • Workplace safety, employee welfare, IR issues • Professional growth • Employee benefits and other facilities • Diversity at the workplace • Leadership connect sessions • Equal opportunities • Wages and benefits • Work-life balance

Stakeholder group	Modes of engagement	Key concerns
Business partners / suppliers and service providers	<ul style="list-style-type: none"> • Contract agreements • Global pharma meets • Symposiums • Seminars 	<ul style="list-style-type: none"> • Payment processing cycles • Business ethics and transparency • Sustainability performance
Communities and NGOs	<ul style="list-style-type: none"> • Direct meets with local representatives • Science exhibitions & health camps • Initiatives like community tree plantations, RO water facilities at public places, building community infrastructure, aid to government schools, hospitals and NGOs • Collaboration with government/NGOs 	<ul style="list-style-type: none"> • Community development (education, healthcare, sanitation, water) • Livelihood creation • Other social benefits • Local sourcing of labour • Managing conflict • Social licence to operate

Materiality assessment

Materiality assessment is one of the most crucial steps in building a sustainability strategy. It has enabled us to identify, review, and analyse potential Environmental, Social and Governance (ESG) issues that could impact our operations and its stakeholders. We aspire to integrate the outcome of the materiality analysis into Laurus Labs' overall corporate strategy to amplify our sustainability aspirations.

We prepared a list of 39 sustainability topics relevant to Laurus Labs for the materiality assessment by trendspotting, horizon scanning and benchmarking with peer groups. Prospective considerations from the Sustainability Accounting Standards Board (SASB) and MSCI ESG materiality themes have been incorporated.

Material issues with potential impact on Laurus Labs were identified from this universal list and prioritized based on stakeholder responses. Responses received on the specific questionnaires shared were analysed. The analysis was used to draw the Materiality Matrix.

The high and medium priority ESG material topics for Laurus Lab's business leadership and stakeholders are provided below:

Themes	Key material topics		Capital Linkage
Environment	Occupational health and safety	High	Human capital
	Product safety and quality	High	Intellectual capital
	Physical impacts of climate change	Low	Natural capital
	Opportunities in clean tech	Low	Natural capital
	Emissions	Low	Natural capital
	Waste management	High	Natural capital
	Energy consumption	High	Natural capital
	Water management	High	Natural capital
	Resource consumption	Medium	Manufactured capital
	Product design and lifecycle	Medium	Manufactured capital
	Impact on biodiversity	Low	Natural capital
Social	Stakeholder management	Medium	Social and relationship capital
	Protection of human rights	Medium	Human capital
	R&D Focus on innovation	Medium	Intellectual capital
	Community Engagement	Medium	Social and relationship capital
	Responsible Pricing	Low	Social and relationship capital
	Supplier engagement and capacity building	Low	Social and relationship capital
	Diversity at workplace (gender, ethnicity, disability)	Low	Social and relationship capital
	Collective bargaining/freedom of association	Low	Social and relationship capital
	Fair and equal compensation	Low	Social and relationship capital
	Sourcing from local/small suppliers	Low	Social and relationship capital
	Capacity building of employees	Low	Human capital
	Development of competing drugs	High	Financial capital
	Product Labelling	High	Intellectual capital
Governance	Cyber security	Low	All capitals
	Data privacy	Low	All capitals
	Responsible public policy advocacy	Low	Social and relationship capital
	Transparent ownership & legal holdings	Medium	Financial capital
	Tax transparency	Medium	Financial capital
	Focus on corporate governance	Low	Human capital
	Business integrity	Low	Financial capital
	Promoting ethical behaviour - Business Ethics	Low	Social and relationship capital
	Leadership, policy, and oversight on sustainability	High	Our governance framework
	Transparency and reporting	High	All 6 capitals
	Zero tolerance for forced labour	High	Human capital
	Effective board management	High	Our governance framework
	Anti-fraud	Medium	Our governance framework
Regulatory compliance	High	All 6 capitals	

Legend	High	Medium	Low
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Our approach to risk management



Our approach to risk management

Success in a challenging and dynamic external environment is largely dependent on our ability to be agile and respond to changes quickly and effectively.

Our risk management process is well adapted to identify, define risk appetite, respond, manage, mitigate traditional and new-age risks, for safeguarding stakeholder interests, achieving corporate objectives, and enabling long-term growth.

Risk management framework

We are continually exposed to risks throughout our value chain from early discovery of new, promising molecules to the production and delivery of medicines. Some risks are inherent in the pharmaceutical industry, such as delays or failures of potential new medicines in the R&D pipeline. Other risks, such as competitive threats, are well-known to any manufacturing company.

We have a robust risk management strategy in place to guarantee that we are well-positioned to manage any negative consequences posed by financial, operational, strategic, or compliance-related risks. Our risk management initiatives enable us to achieve our organization's objectives and safeguard operations while complying with legal, regulatory, and societal expectations.

The approach to manage business risks is through cross functional involvement and communication across businesses. The Board is responsible for risk governance supervision, which is aided by the risk committee and the audit committee. The risk management committee is in charge of developing and implementing risk management policies for the organisation. The audit committee examines the risks that the company faces.

After the risk assessment process is complete, the results along with the residual risks are presented to the senior management to facilitate better decision making. The risk evaluations are integrated into the relevant business or functional reviews to ensure that the risks and our responses to them are weighed against our strategy, values, and strategic goals. We broadly categorize our risks into three categories—short term, medium term and long term. Our short-term time horizon is one to five years. The majority of our short-term risks are tied to government policy and are controlled at the business unit level. Our medium-term time horizon is six to ten years, which will allow us to finish most important projects and update our portfolio significantly. Our long-term time horizon is 11 years and beyond. These include long-term technology intervention and consumer preferences that affect supply and demand.

Risk	Context	Impact on value creation	Our response	Capital impacted
Industry risk	Our business is exposed to various social and economic risks creating multiple uncertainties. Factors such as bans on goods or combinations, lower transaction costs, fluctuations in demand and changes in medication approval patterns or prices all pose concerns.	The volatile and uncertain market gives us the opportunity to grow our firm, improve profitability, and diversify our services.	We have a presence in all of the world's major pharmaceutical marketplaces, and we analyse our risks on a regular basis. To reduce the risk of our procurement, production, and distribution processes, we intend to establish a business continuity strategy.	<ul style="list-style-type: none"> ● Financial capital ● Intellectual capital
Competition risk	The pharmaceutical business is influenced by the external environment in which it operates and reacts to it. The sector has seen enormous technical improvements in recent years, and we are up against stiff competition from both established and new newcomers.	The competitive business environment encourages us to think outside the box, discover our strengths, and develop in new ways to help people live healthier lives.	To maintain a cost advantage, we are building economies of scale in manufacturing, distribution, and procurement. Strengthening long-term relationships with our main customers by providing enhanced quality and service know-how. Implementing cost-cutting measures and enhancing the manufacturing efficiency of our plants. Investing in R&D with the goal of reducing raw material consumption and increasing productivity.	<ul style="list-style-type: none"> ● Financial capital ● Intellectual capital ● Manufactured capital
Regulatory risk	Several regulatory bodies regularly monitor the pharmaceutical business, which is strictly regulated. Stakeholder compliance needs, as well as regulatory scrutiny, have increased significantly. Failure to get necessary manufacturing permissions could have a detrimental impact on our business operations, liabilities, and reputation.	Complying with the rules gives us the opportunity to grow our position, earn trust, and be more transparent in the market.	To ensure compliance with the pharmaceutical industry's legislative requirements and regulations, we are improving our review mechanism. Our information management system detects changes in the regulatory environment and their impact in a timely manner, allowing us to stay on top of regulatory requirements.	<ul style="list-style-type: none"> ● Financial capital ● Social and relationship capital

Risk	Context	Impact on value creation	Our response	Capital impacted
Innovation risk	The increased competition in R&D has made developing new drugs more difficult, and R&D costs have risen dramatically. Laurus Labs may be exposed to studies demonstrating that the proposed new product is ineffective or has unacceptably harmful side effects. The lack of specialised products and processes may have a negative impact on growth rates.	There are chances of patients not benefiting from innovative treatments which could have adverse impact on sales, profits and market position	We ensure strong R&D capabilities and proven track record in filing, approval and commercialisation of niche products and processes Our strong chemistry know-how, efficient process optimisation and niche product portfolio have resulted in strong global presence and market leadership	<ul style="list-style-type: none"> ● Intellectual capital ● Financial capital
Operating risk	Natural catastrophes, pandemics, terrorism, and unrest all pose operational risks, which are likely to disrupt or halt production, postpone product releases, and have a negative impact on our revenue and business viability. Inadequate vendor assessment can result in unanticipated interruptions of operations, as well as an inability to manage vendor-customer interactions.	This might cause disruption in our operations, leading to temporary slowdown	We have an ongoing action plan to de-risk the vendor based on both country risk as well as single source perspective. Despite a challenging business environment, we have effectively maintained our ties with vendors and customers, resulting in organisational stability and predictability. We have long-term partnerships with large worldwide and Indian pharmaceutical companies, ensuring revenue visibility.	<ul style="list-style-type: none"> ● Manufactured capital ● Social and relationship capital
Capacity planning and optimisation risk	Inadequate capacity could jeopardise our ability to satisfy changing client demands, resulting in lower profit margins.	The long lead time required to ramp-up capacity is a challenge. This might delay the time to market.	Our business team keeps a close eye on product trends to ensure that we have enough capacity to satisfy demand. We also make sure that we have solid mechanisms in place to check plant capacity on a regular basis. We push for changes in production methods including preventive maintenance plans and plant redesigns in the event of repeated malfunctions	<ul style="list-style-type: none"> ● Manufactured capital ● Financial capital

Risk	Context	Impact on value creation	Our response	Capital impacted
Financial risk	We are exposed to currency volatility due to our revenues being spread across various international currencies. This has an impact on our net expenses, as well as any future investments or other sources of income. Global and domestic liquidity contractions have a negative impact on capital availability and cost.	Our cash flow can get negatively impacted and can lead to significant tax adjustments, fines and higher-than-expected tax level	To protect ourselves, we have built a strong currency hedging plan. We are regularly evaluating derivatives to address this problem.	<ul style="list-style-type: none"> ● Financial capital
Environmental, health and safety risk	Climate legislation and regulations aimed at transitioning to a low-carbon economy, as well as technological disruptions and shifting customer preferences toward alternative materials, may have a negative influence on our profit margins. Non-compliance with process and staff safety requirements, as well as stipulations of safety laws and regulations, can have a negative influence on the business continuity and reputation.	Growing environmental concerns compel us to consider the environmental impact of our operations. It also allows us to research and expand our range of environmentally friendly items.	We have increased our focus on energy sustainability. We ensure that the safety culture programme and behavioural requirements are implemented. On high-risk sites, we conduct thorough process safety audits to improve and ensure the work we do to make our manufacturing processes are as safe as possible.	<ul style="list-style-type: none"> ● Natural capital ● Human capital ● Social and relationship capital

Financial capital



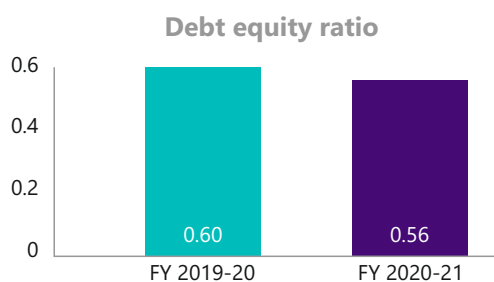
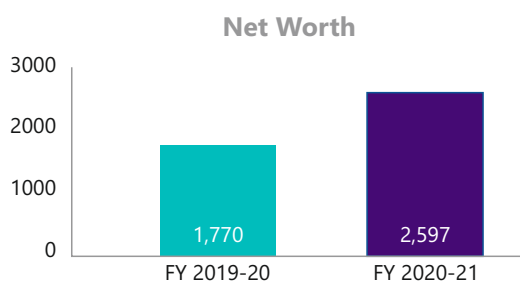
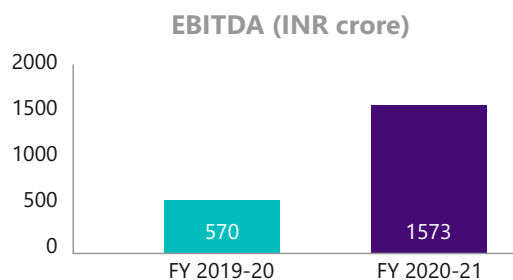
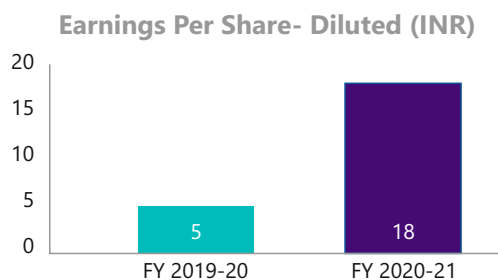
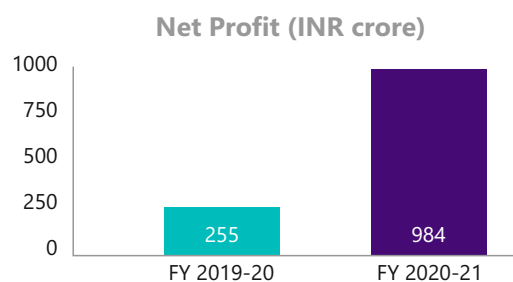
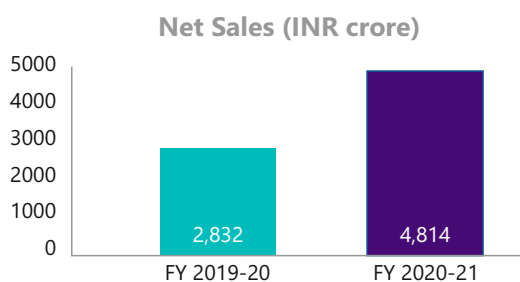
Financial capital

Our strong financial performance in the reporting period has served us well as we enter an uncertain period, with the world battling a crisis of unprecedented scale.

The emergence of COVID-19 has led to an unprecedented disruption of the global economy. However, our efforts in recent years to develop an optimal capital structure have enabled us to navigate through the crisis. Our overall financial performance has remained consistent with the past, owing to a solid foundation of cost reduction, a healthy balance sheet, and judicious gearing. By allocating resources to value-creating strategic initiatives, we continue to be firmly dedicated to disciplined capital management and adjusting to the new normal.

We have always prioritised long-term development of Laurus Labs. Our management focuses on preserving shareholder value by prudent expenditure in research and development, cost optimization, capital expenditure, and modernization through the adoption of new technologies and information technology (IT) systems. Our strong financial performance in the reporting period has served us well, as we enter into an uncertain period, with the world battling a health crisis of unprecedented scale. This also underscores our notion that rather than relying solely on financial performance, our approach should constantly be informed by socioeconomic and environmental sustainability metrics. Further, we adhere to reporting compliances as mandated by the Government of India and our investors.

Though COVID-19 demanded us to hold back on capital expenditure, we doubled our time and attention to invest in upgradation of our existing manufacturing facilities to aid efficiencies as well as build capacities to meet future demand. In FY 2020-21, Laurus Labs has performed remarkably well, showcasing a robust growth of 70% compared to FY 2019-20.



Our revenue increase has been primarily driven by volume growth and capacity utilisation. Higher market volumes from low and middle income countries (LMIC) as well as from North America and the EU drove growth in our formulations business. We also began marketing in-licensed products in the United States to harness front-end capabilities. In our Contract Development and Manufacturing Organization (CDMO) business, the total number of active projects were 50 in the reporting period.

Tax strategy

The demand for more tax transparency is in line with the growing attention from society to sustainability in general and corporate sustainability. Laurus Labs has a tax strategy in place and with segment analysis based on applicability and the capacity to claim qualifying deductions / exemptions, we have improved our tax planning.

Laurus Labs recognizes that it has a responsibility to pay appropriate tax in each of the jurisdictions in which it operates. We deal with tax authorities with honesty, integrity, respect, and fairness and establish positive, professional, and transparent interactions with all the parties. Our CFO reviews the tax strategy on a quarterly basis. We further focus on improving our tax compliances, better analysis of allowances and disallowances in order to minimise litigations, which lead to a strengthened tax strategy framework.

We are committed to prompt disclosure and transparency in all tax matters with respective tax authorities. We strive to operate in an efficient and legally compliant manner that aids in the organization's long-term development.

Manufactured capital

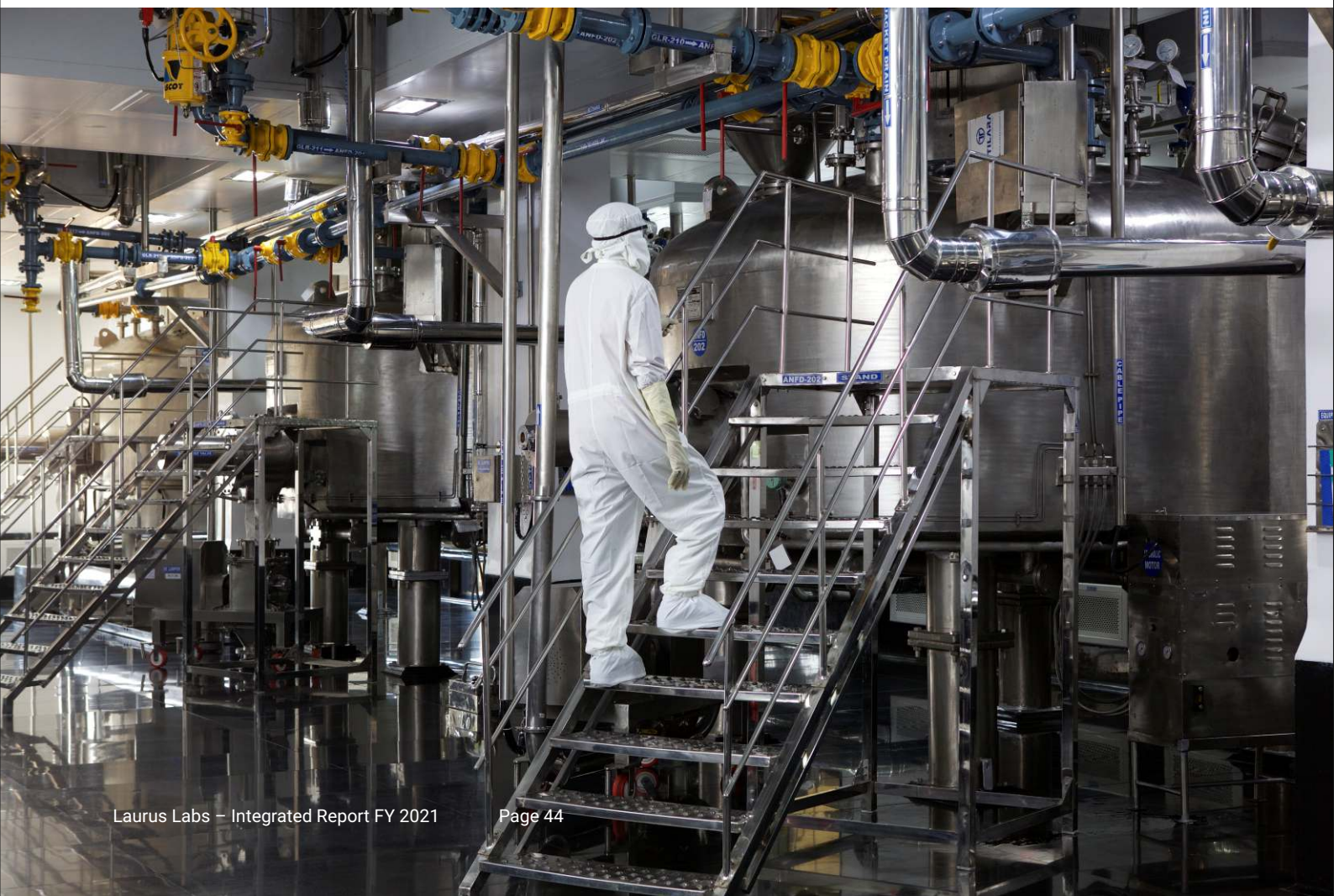


Manufactured capital

We operate in a complex and fast-changing environment. As the industry and environment around us continue to remain dynamic, our core strategic intent and delivery methods of business models provide a robust foundation to build a responsible and innovative business

General management approach

With best-in-class facilities we develop and create access to quality and affordable medicines. Our diverse and differentiated product portfolio is spread across seven modern manufacturing facilities in Visakhapatnam, one API facility in Bibinagar near Hyderabad and a Kilo Lab at our R&D center, Hyderabad, (including subsidiaries 100% owned by Laurus Labs) amongst which Unit 1 and Unit 3 being the biggest of all. At all these facilities we manufacture drug substances and/or drug intermediates out of which one facility is well-equipped to manufacture both drug products and drug substances. We are now transitioning into various ways of renewable energy such as solar power, and hence promoting considerable investments in environmental infrastructure. In this context, we installed solar power panels which generated 98,000 Kwh in FY 2020-21 in Unit 1 and 3.



Driving innovation in formulations

The company has grown consistently to become one of the leading manufacturers of Active Pharmaceutical Ingredients (APIs) for anti-retroviral (ARV), Oncology and Hepatitis C. Laurus Labs also manufactures APIs in other therapeutic areas. We have a portfolio of more than 60 products and added 7 new products in 2020-21. Our strong presence across many medicines, consistency in compliance, and forward integration into the formulations business have solidified our position as a strong pharma player. Moving forward, we are certain that by hiring the appropriate people and cultivating an innovative culture, we will be able to achieve long-term, balanced growth. With our core capabilities strengthened, we are confident in our ability to fulfil our mission of creating long-term value.

We strongly believe that our growth lies in fundamentally investing our resources in a wide range of innovation and subsequently increasing capacity by 1.8x by 2022 through robust capex plans. We are currently developing a strong generic pipeline for developed markets and look forward to expanding the same. While we recently



Our state-of-the-art Fixed Dosage Formulations (FDF) manufacturing facility has a capacity of five billion tablets per year

entered into a partnership with a European generic player for contract manufacturing, our plan is to scale up this segment and cater to more players and products in the future. Our state-of-the-art Fixed Dosage Formulations (FDF) manufacturing facility has a capacity of five billion tablets per year, which we plan to expand to double the capacity by the end of FY 2022.

APIs

Oncology

We plan to strengthen our global leadership in current products by focussing on high potent molecules

ARV APIs

Growth will be driven by introduction of second-line products, maintenance of existing product portfolio, launch of new first-line products - Lamivudine and supply of APIs to EU and North America

Other APIs

We will focus on key therapeutic segments such as anti-diabetic, PPIs and CNS products commercialised for contract manufacturing opportunities



Leveraging capacities to improve access and adequate supply

At Laurus Labs, we have progressively invested in adding capacities to leverage economies of scale and to ensure adequate product supply for our customers. We are adding an additional 1 million litres of reactor volume for API capacity expansion and 5 bn does capacity for formulation. We are also acquiring additional land for further expanding the manufacturing capacities and capabilities for Laurus Bio.

Site-wise highlights

- Unit 1** Solar power panels installed (total energy consumed: 66877 KWh), received approvals from USFDA, TGA, MHRA, KFDA, WHO-Geneva, PMDA, NIP-Hungary, COFEPRIS -Mexico, MIT – Russia, ANVISA
- Unit 2** Received approvals from BVG Hamburg Germany, USFDA, WHO – Geneva, JAZMP –Slovenia, ANVISA and various African Countries
- Unit 3** Solar power panels installed (total energy consumed: 31078 KWh) Received approvals from USFDA, WHO – Geneva, NIP – Hungary, COFEPRIS -Mexico, KFDA, ANVISA & JAZMP – Slovenia, MIT – Russia
- Unit 4** Commenced operations in 2018, Unit 4 has received approvals from WHO, USFDA and COFEPRIS – Mexico
- Unit 5** Launched in 2017, Unit 5 has a dedicated Hormone and Steroid facility for Aspen
- Unit 6** Began commercial operations in 2018, Unit 6 has received approval from USFDA

Technology adaptation

Our continued investment to adapt to newer technologies and to increase mechanization, provides a robustness in process and gives us an edge in production of drugs in new therapeutic areas. One such technology - Rotary Pressure Filter (RPF) - was adopted in Unit-6. The Rotary Pressure Filter (RPF) enables continuous filtration and washing against traditional batch processes. This has helped us achieve a higher capacity with less manufacturing footprint. It not only reduces manual labour but also enhances safety and reduces exposure to product while improving the product quality. Additionally, we have adopted other new technologies such as continuous coaters, automatic inspection machines which provide scale of operations and improve productivity considerably.



Digital technology is aiding new ways of manufacturing, aiding increased quality, regulatory compliance. We are on the lookout for new ways of expanding our business in the short and long run. We are increasingly using cloud technology (such as Track and Trace serialization) and other technologies to increase operational efficiency, deliver business and gain scientific insights across internal business functions.

Quality control

Recognizing the significance of delivering the quality products we adhere to stringent quality standards throughout our operations. Our state-of-the-art facilities enable us to develop quality and affordable medicines. We adhere to the idea of a single quality standard that applies to all markets. It has put in place a well-defined validation and qualification structure to ensure that systems, facilities, and processes are planned and built in accordance with client needs

The quality systems at all our manufacturing sites are in place covering areas of business processes from supply chain to product delivery, to ensure consistent quality, efficiency, and safety of products. We also conduct a statistical evaluation of annual product quality reviews using the Minitab software.



Our dedicated quality and regulatory teams provide technical and market support for all regulatory affairs. Additionally, our manufacturing facilities comply with the requirements of Integrated Management System (IMS), strictly following ISO 9001-2015: Quality management System, ISO 14001-2015: Environment Management System and ISO 45001-2018: Occupational health and Safety Assessment system standards.

Through our SCM team we have taken various measures in ensuring continuity in supplies such as increasing inventory levels, expediting material movement, customs clearances, maintaining strategic partnership with vendors and developing alternate domestic sources.

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As we have standardized our product quality as a mandate and are recognised for it through our best-in-class facilities. This is proven by the approvals we have obtained by USFDA, WHO, NIP Hungary, KFDA, COFEPRIS, PMDA, ANVISA, and JAZMP. Across all our facilities at various manufacturing sites, we have dedicatedly adopted uniform manufacturing standards to ensure product quality for all our markets, both domestic and global.

Ensuring quality:

- Receipt, Storage and Handling of Raw Materials: Raw materials are verified at the warehouse through necessary documentation, approvals, etc.
- Manufacturing Facilities: We have well designed facilities for the manufacturing, testing, storage of the products for meeting the regulatory and cGMP requirements.
- Quality Control Department: We have well designated facilities and well-trained personnel and procedures available for sampling, inspecting, and testing of raw materials, packing materials, intermediates, API, finished products and monitoring of environmental conditions.
- Quality Assurance: We have a well-established quality assurance system to release or reject raw materials, packing materials, in-process materials, intermediates, APIs and finished Goods. In addition, we also use electronic quality assurance management software for handling quality management systems. Learning management system software for handling training.
- Quality Review meeting & Safety committee meeting – Monthly reviews and inspections are conducted to look out for any quality and safety related issues respectively

Managing our supply chain

We acknowledge long-term sustainable development of our suppliers as it is critical to our success and value all our vendors who share the same vision and approach towards doing business.

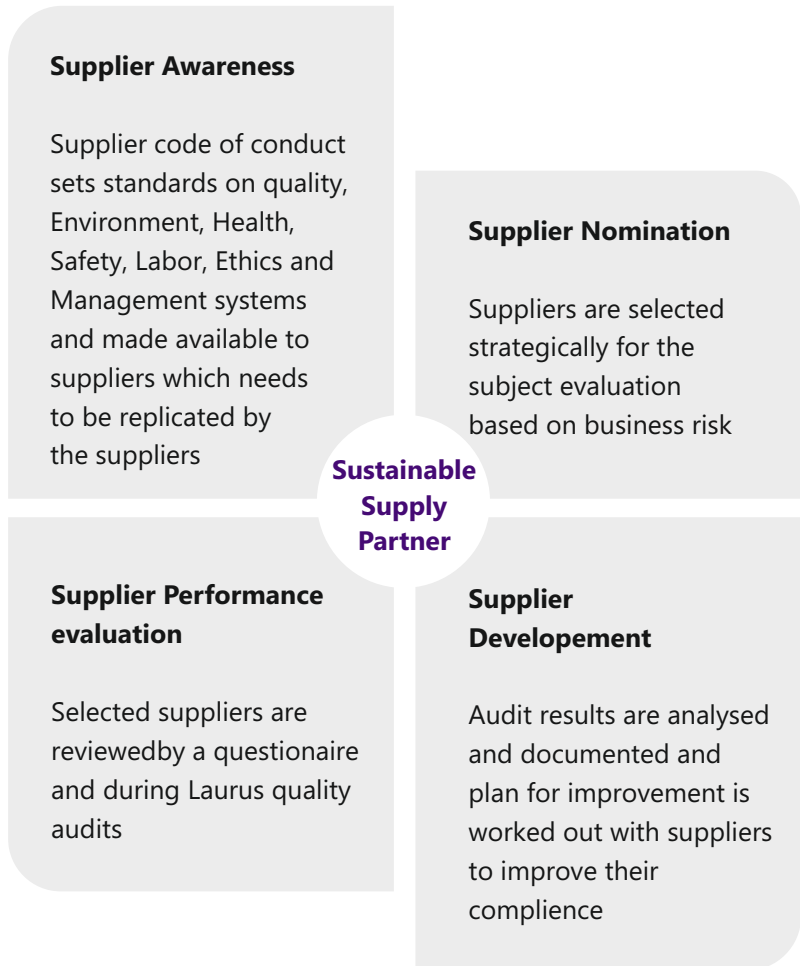
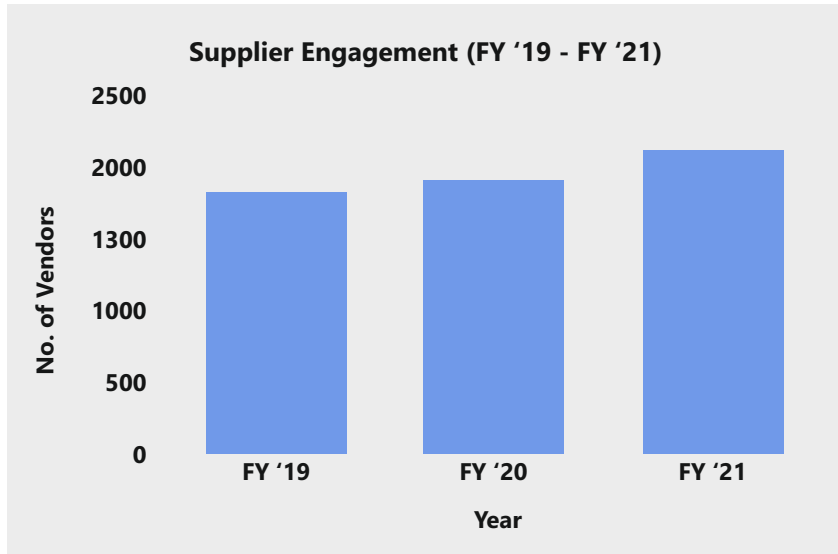
Our Supply Chain Management (SCM) team consists of 40+ members handling new product sourcing, commercial procurement, delivery of raw materials, packing materials, engineering materials etc. We worked with around 2100 vendors in FY 21 and around 1900 & 1800 in the previous two years respectively. Through our SCM team we have taken various measures in ensuring continuity in supplies such as increasing inventory levels, expediting material movement, customs clearances, maintaining strategic partnership with vendors and developing alternate domestic sources. We not only ensured our overall supply continuity but also serviced increased remits to the tune



of 40% during the challenging times. Good information flow, timely actions, strategic vendor partnerships, and maintaining good inventory levels are the need of the hour. Our SCM team has been able to ensure this with the support of management in executing actions and ensuring the challenges are mitigated appropriately.

To ensure sustainability from a procurement perspective, multiple actions like reducing paper usage, digital signatures, automated PO upon release, supply chain dashboard, reducing excel usage and focussing more on automated report development in ZOHO are some of the key actions taken up during this year. Whilst we engage with a wide range of suppliers worldwide, we have adopted a sustainable procurement policy through which our key vendors are assessed periodically. The sustainable procurement policy allows us to conduct business in compliance with environmental, social, and ethical standards.

We at Laurus Labs procure raw materials from suppliers based out of various geographies across the world including China, India, Europe, and the Middle East being the major ones. To ensure production continuity, raw materials are obtained based on the production plan and appropriate inventory levels which in turn is based out of customer requirements. Raw materials are categorized into three categories – key starting materials, critical materials, and general raw materials. Approval of new vendors is based on standard operating procedure based on the category of the material. We also have an ongoing action plan to diversify and de-risk the vendor from a country risk as well as single source perspective.



Human capital



Human capital

Our people are our greatest asset, and we are committed towards creating a safe, stimulating and agile work environment for our employees to enable them to thrive and deliver in these challenging times.

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The knowledge, talent and passion of our employees is crucial to our success. In these testing times, it is the ability of our employees to innovate and their willingness to embrace agility, continuous professional and self-development that drive us forward. As we continue to strengthen our position, we focus on enhancing and leveraging the capabilities and enthusiasm of our people.

Our approach towards human capital development is underpinned by key principles of human and labour rights, diversity and inclusion, employee wellness, talent development, workplace safety and striving towards performance excellence. At Laurus Labs, we are a team connected by a common thread of caring – about one another, our customers, the environment, and the work we do. We believe it is our obligation to look out for one another by cultivating a culture of togetherness, safety, respect, and participation that allows each individual member to feel a sense of belonging. Human Resource (HR) plays a critical role in the journey to make Laurus Labs a fit for purpose organization. HR is entrusted with a number of responsibilities in the transformation of the organization including but not limited to acting as a change agent, partnering with business to create an agile and market relevant organisation structure, identifying and fulfilling routine as well as key / niche talent needs to assist the organisation.

We have adopted a competency-based tier approach for leadership pipeline and succession planning, with tier one having people who are ready to lead the business, tier two in the next 3-5 years and tier three in another 5-7 years. Our competencies, motivation and ethical work practices make Laurus Labs a great place to work and enable us to create value in the short, medium, and long term for the organization. We have formulated our policies in three thrust areas to nurture our human capital.

Diversity and inclusion

A diverse workforce spurs creativity, leading to new and innovative ideas. We aim to be an attractive employer that offers an inclusive, diverse, safe, and ethical working environment, in which all the employees have equal opportunities to realise their potential. We have 4,492 permanent employees that include 25 management level employees, 689 non-management staff. We also engage daily wage workers, trainees, and interns.

We have a multigenerational workforce with millennials forming 88% of the permanent workforce. Additionally, women represent 8% of our entire workforce. The breakup of our employee count by age group and gender is provided below-

Permanent employee breakup- age group and gender (FY 2020-21)					
Category	<30	30-50	>50	Male	Female
Management (CXO, Level - 1)	0	8	17	25	0
Executive (Level 2,3,4)	2	641	46	636	53
Permanent workmen (level 5,6)	1975	1773	30	3474	304
Total	1977	2422	93	4135	357

Total employees hired in FY 2020-21						
Category	<30		30-50		>50	
	Male	Female	Male	Female	Male	Female
Management	0	0	1	0	0	0
Executive	1	0	53	5	0	0
Permanent workmen	817	87	199	12	34	0
Total	818	87	253	17	34	0

Strategic talent development

Our talent management process focuses on developing, promoting, nurturing, and retaining the best talent from the industry. The aim to maintain high quality standards stems from an ever-increasing commitment to employee's professional development. Employee development is important to us because it improves our people's productivity and capabilities as well as their ability to stay updated in the changing business environment.

Induction / onboarding and value orientation initiatives

We have an interactive induction program aimed at familiarizing newcomers with our culture, values, business, financials as well as to set the right expectations at the beginning of their journey with the firm.

Laurus Labs IGNITE: The program aims to establish open lines of communication between the company and the employee. All the new workers who have completed 30 days with the company and their SANCHALAKS will be eligible for the programme. The staff will participate in a three-hour interactive workshop led by one of our Laureate leaders.

SANCHALAKS: The goal of assigning a Sanchalak to the new workers is to assist in the onboarding process and ensure that they are comfortable in the Laurus Labs environment. It connects new employees with a dependable, motivated single point-of-contact for fundamental queries about their Laurus Labs experience. It also aids in the development of orientation as a process rather than a one-time learning event.

We organise periodic training programs (digital), knowledge sharing sessions and offsite training programs/seminars as part of learning and development programs



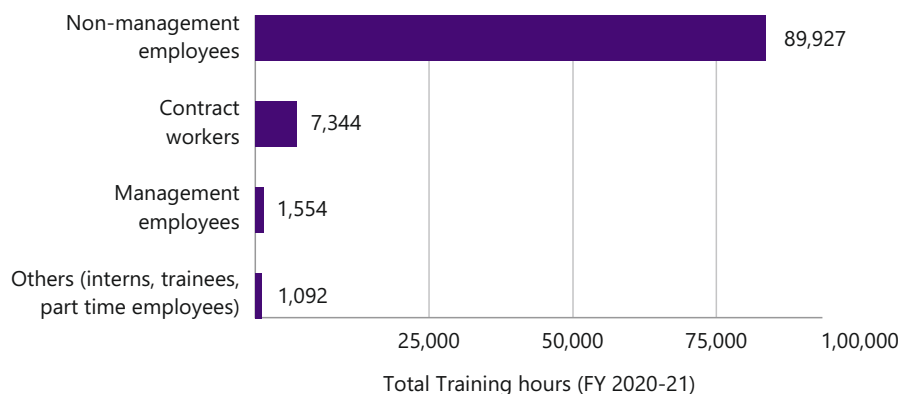
Learning and development initiatives

Continuous professional development and upskilling of our employees is at the heart of growth strategy. Therefore, we organise periodic training programs (digital), knowledge sharing sessions and offsite training programs/seminars as part of learning and development programs. In the reporting period more than 99,000 training hours were spent on training.

Key features of our L&D program

- We provide technical training based on standard operating procedures (SOPs) The quality assurance team is responsible for imparting training with a focus on process adherence and preserving SOP documentation.

Total Training hours (FY 2020-21)



- We train all contract workmen on basic safety to be followed inside the factory premises.
- Employees benefit from our on-the-job learning approach. In most of the cases, this is accomplished using the “coaching/supervision” system, in which an experienced supervisor gives live instructions to the staff to perform a particular job.
- We have a digital Learning Management System that enables easy delivery of L&D initiatives
- Soft and behavioural skills-based training are imparted through the course of the year. These are aimed at boosting business effectiveness, talent development and employee career progression.



We are committed to developing a strong leadership pipeline, as in any growth-oriented firm. We discover and train high-potential leaders for senior management positions.



- Management Development Plan (MDP): The goal of this programme is to provide participants with all they need to recognise their strengths and develop the abilities necessary to manage and lead teams. These sessions are interactive and participatory in nature. The participants are chosen from a pool of middle management leaders, who have been identified as potential leaders. However, due to the restrictions imposed by COVID-19, MDP training was not conducted in 2020-21.
- Leadership Development Program (LDP): We are committed to developing a strong leadership pipeline, as in any growth-oriented firm. We discover and train high-potential leaders for senior management positions. However, due to the restrictions imposed by COVID-19, LDP training was not conducted in 2020-21.

Initiatives for attracting and retaining talent

We believe that attracting and retaining talent is critical for sustained growth. Therefore, we promote internal mobility of employees across vacant roles across the organisation. Additionally, we proactively seek feedback from employees who have resigned to understand key issues and challenges and address them as part of our strategy.

Driving performance excellence

Our success is built on a high-performing workforce, where we strive to cultivate an environment that is conducive to synergising the ambitions of our people and the vision of our organisation. Employees are encouraged to establish high-quality objectives that are linked with our strategy and we closely monitor them. Our appraisal method allows for the formulation of goals and the review of performance against those goals, which are beneficial for increasing customer focus and competitiveness.

Our performance management system is founded upon our core value of creating a transparent and fair, performance-driven work culture. We have developed a streamlined and transparent yearly annual appraisal process to motivate our employees. The performance management system is periodically reviewed every year to keep up with the evolving business landscape and we endeavour to align the strategic initiatives of each entity, to reinforce and reward meritocracy within the organization.

As part of the performance management process, both the appraiser and the appraisee meet to discuss the performance and come to an agreement on a performance rating. As a part of the process, we also conduct discussions with the resigned candidates, recognise their issues and, if feasible, resolve them in accordance with the business HR policy.



Employee wellness and care

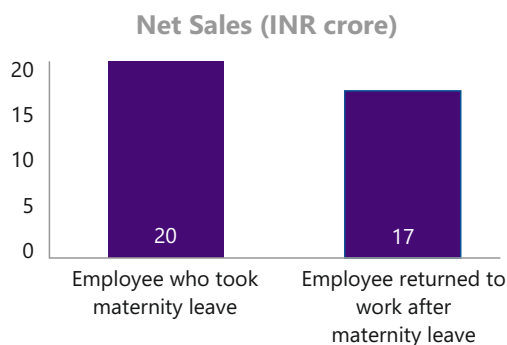
Employee engagement

We, at Laurus Labs, believe that a motivated workforce helps a company achieve its goals and foster a great culture. We offer a variety of projects focused on employee well-being and engagement around the world. We conduct several annual employee engagement initiatives:

- **Women's Day:** To engage our female colleagues, we have been commemorating Women's Day every year since 2009. Every year, we also arrange for a woman-specific training and motivational session. We offer training on sexual harassment in the workplace to our female employees.
- **Annual Family Day:** Since 2008, all employees and their families have been celebrating the annual family day. Every year, a variety of recreational and entertainment activities, as well as dinner, is planned.
- **Annual Sports Week:** A sports week is held every year. All the employees are given the option to participate in the numerous games and sports that are held during the week.
- **Town Hall Meeting:** We hold a town hall meeting with the staff, which is chaired by the leaders from various departments. The key goal is for the management and staff to communicate openly.

Safeguarding human rights

Our people strategies are focused on ensuring a safe working environment for all employees. We have developed policies that help streamline the day-to-day operations of the business, maintain order within the organization and ensure that people are treated fairly and equally. To name a few:



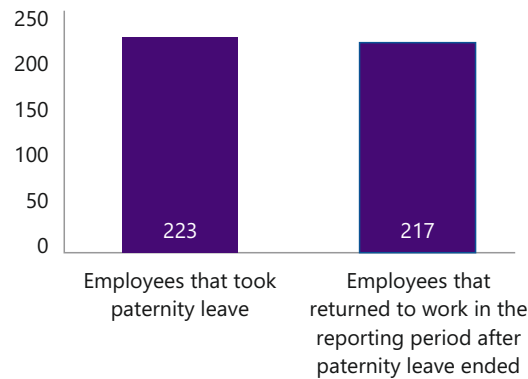
Maternity leave:

All the permanent female employees, who have put in not less than 180 days preceding the date of their expected delivery, are entitled to maternity leave of 182 days (26 weeks) twice in their tenure of service as per the provisions of the Maternity Benefits Act 1961. We also encourage women who have had a career break to come back and explore second career options with flexibility.

Our people strategies are focused on ensuring a safe working environment for all employees.



In FY 2020-21 we had a retention rate of 90% for female colleagues who took parental leave and about 85% of the women who were on maternity leave returned to work.



Paternity Leave Policy:

Laurus Labs extends three days of paid paternity leave to the male employee to support his spouse and family after the birth of the child. Such paternity leave can be availed maximum twice during the tenure of employment. In FY 2020-21 we had a retention rate of 98% and about 97% of the men who were on paternity leave returned to work.

Special leave for family planning:

We support our employees in all the possible ways. They are entitled to a special paid six days leave if they undergo family planning operations.

Gift policy:

We share the happiness of our employees and compliment them with a wedding gift and a housewarming gift worth INR 6000 on the day of the function.

Compensatory offs:

In view of the work demands, an employee may be required to work on holidays / weekly offs. In such cases the employee may avail compensatory leave in the same month or within the next 3 months only.

Healthcare:

Employees can avail periodic medical check-up arranged by the company from time to time as per location / operational norms. Additionally, we also extend medical insurance for employees and their dependent family members.

Ensuring a safe work environment

Making our operations safe and secure, by developing adequate operating procedures, safety focused culture and improving equipment is our priority. We have designed detailed procedures (EHS

Risk Assessment) for identifying work-related hazards and assessing risks on a routine basis to apply the hierarchy of controls to eliminate hazards and minimize risks. We have constituted a safety committee with joint members of management worker representatives to examine safety related matters. Individual contract workers can report their safety concerns to management through safety teams, line management, or quarterly held safety committee meetings.

Laurus Labs is committed to inculcating the best safety practices in the individuals by following principles of good laboratory practices and good manufacturing practices in its day-to-day operations. All our manufacturing facilities are certified ISO 14001: 2015.

In FY 2021, we conducted the following events aimed at workplace safety:

- Workplace safety awareness campaign: A safety awareness campaign was held from the 4th to the 16th of March 2021 on the eve of 50th National Safety Day, with the active participation of all employees, workmen and management with the theme “Learn



from Disaster and Prepare for a Safer Future”. Several events and programs such as an emergency response competition, PPE donning competition, safety drill, safety exhibition and quiz as well as a mock drill were conducted as part of the campaign. 'Best Safety Promoting Leaders' were recognized and awarded, and all team member signed up to the 'safety pledge'.

- Fire Service Day: The National Fire Service Day was observed on



14th April 2020 across all units. The opportunity was used to create fire safety awareness among the employees & contractors to prevent and manage fire and fire related emergencies. Programs such as mock drills on fire and emergency preparedness as well as ERT Competition were organised as part of the event.

Ensuring employee wellness during COVID-19

With the onset of the COVID-19 pandemic, we are adopting strategic preparedness and response protocols in-accordance with the WHO recommendations for COVID-19.

Workplace safety and social distancing

- RT-PCR and RAT tests for all the symptomatic employees without any restriction, and quarantine facility in private hospitals for all the affected employees, also including families
- Dedicated teams responsible for implementing enhanced sanitation regimes at offices, canteens, buses etc
- Increased the number of buses for transportation of employees to ensure social distancing
- Revised shift timings and rest days, keeping in view the stress of the employees and contract workmen
- Increased tea serving points to reduce large gatherings



Employee assistance and benefits

- Allotted 18 days paid leave to all the affected employees
- Granted COVID-19 hardship bonus to all the employees, contract workmen and outsourced manpower (garden workmen, canteen workmen, bus drivers, car drivers)
- Provided employee special additional pay during lockdown period
- Provided vitamin tablets in canteens after meals for all the employees and workmen
- Provided quarantine kits with essentials, which includes: medicines, dry fruits, daily usage items, etc
- Arranged vaccinations for all the employees
- Provided free medical facility to all employees & dependents irrespective of whether the same are covered in medical insurance or not

Awareness generation and support to support to the wider Laurus Labs family

- Conducted regular awareness on COVID-19 precautions through emails, one-on-one stand-up meetings, public video screens at canteens, display boards around the company premises, etc.
- Conducted online trainings and meetings to maintain social distancing
- Spandana': During the COVID-19 pandemic, the Laurus Labs Spandana crew did an outstanding and inspiring job. They have kept in touch with COVID-19 impacted employees on a regular basis to check on their well-being and offer aid if needed.

Measures taken to limit the supply chain disruptions due to COVID-19:

- Partial lockdowns initially across the globe including in India delayed production. Some of the challenges included customs clearances and transporter movements. Being a pharmaceutical company, it was essential for us to ensure timely smooth flow of business continuity, especially during the lockdown period. Despite all challenges, our SCM team has not only been able to ensure supply continuity but also meet the increased requirements.
- Special task force teams are formed in each manufacturing unit, R&D, CO to monitor the status of COVID-19 to take-up activities as necessary to contain the impact



Intellectual capital



Intellectual capital

We strive to offer integrated solutions to global pharmaceutical needs by embracing the best technology and partnerships that leverage the power of science and develop new therapies.

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Laurus Labs is a research-based pharmaceutical and biotechnology company that develops innovative medications for significantly improving patient health. By leveraging our strong R&D, knowledge, expertise, and innovation capabilities we seek to improve manufacturing process efficiencies and backward integration strategy to maintain cost competitiveness. We proactively invest in state-of-the-art research & development (R&D) activities and manufacture infrastructure to ramp up supply of critical medications across geographies with continued emphasis on best-in-class quality and global compliances. The journey from APIs to formulations & synthesis businesses is the result of our integrated strategy which we have successfully executed over the years.

Our portfolio includes a mix of specialty medicines that serve the needs of a larger global market as well as innovation products that address specific patient demands. As stated in our vision statement, we ensure striking a balance between giving greater access to medicine and playing a role in establishing new disease segments. We focus on restructuring our operations by increasing automation, enhancing our data and analytics skills, and implementing emerging technologies to improve product quality.

R&D is the core of the organization and has helped us develop breakthrough technologies leading to new products, improved process chemistry, analytical chemistry, process intensification and establishing technologies at commercial scale. In fiscal year 2020-21, we spent 4% of our revenue on research and development. In fact, in FY 2021, 7 new products were added to our portfolio. We are confident that our investment in research and development will result in long-term value creation, both in terms of top-line growth and improving patient access and affordability to our medicines around the world.

R&D infrastructure and developments

We have a specialised R&D team of over 750 people, made up of competent researchers, scientists, and product specialists who are committed to strengthening Laurus Lab's intellectual property via excellence and innovation. The R&D team focuses on process intensification, technology absorption, and commercialization of technologies. We conduct technical and commercial feasibility assessment before selecting molecules. Feedback from the customers is used to enhance our research acumen and focus on margin-accretive businesses. We ensure improving existing products through research and development while also paving the path for new ones in high-growth sectors.

Further, with a capacity of 4.3KL and 43 reactors, our state-of-the-art R&D facility in Hyderabad specialises in pre-commercialization activities for APIs, ingredients, bespoke synthesis, and contract manufacture. We aim to bridge the gap between market requirements and business requirements.

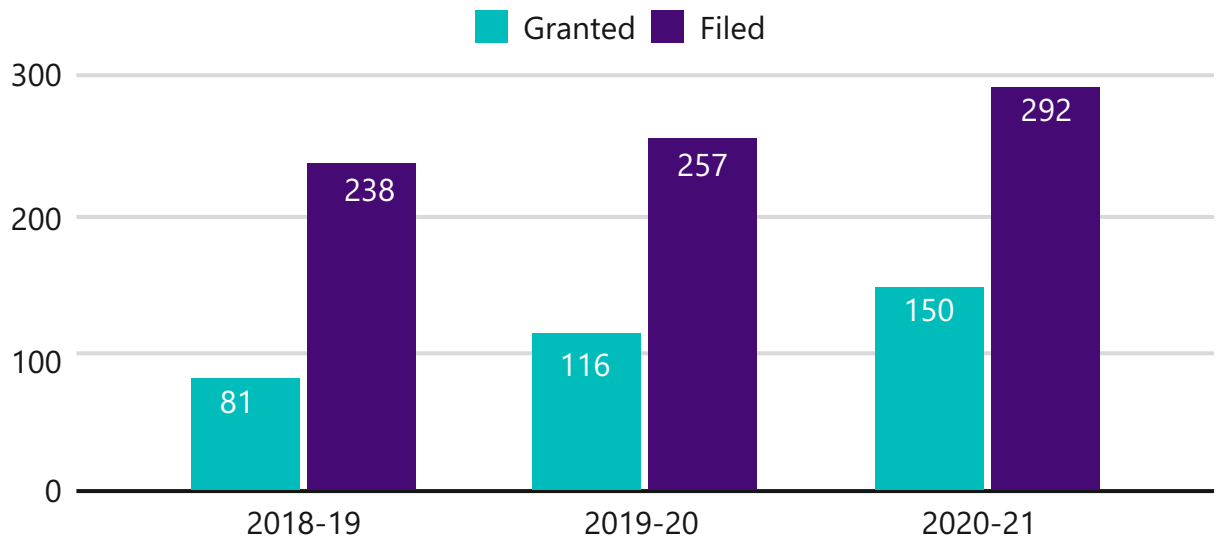
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Building intellectual property

We strive to incubate new businesses that can strengthen and grow our intellectual property. Our patent portfolio demonstrates our commitment to excellence and reinforces our belief in innovation to meet objectives. In the last two years the number of patents filed has increased by 22%.



Products launched

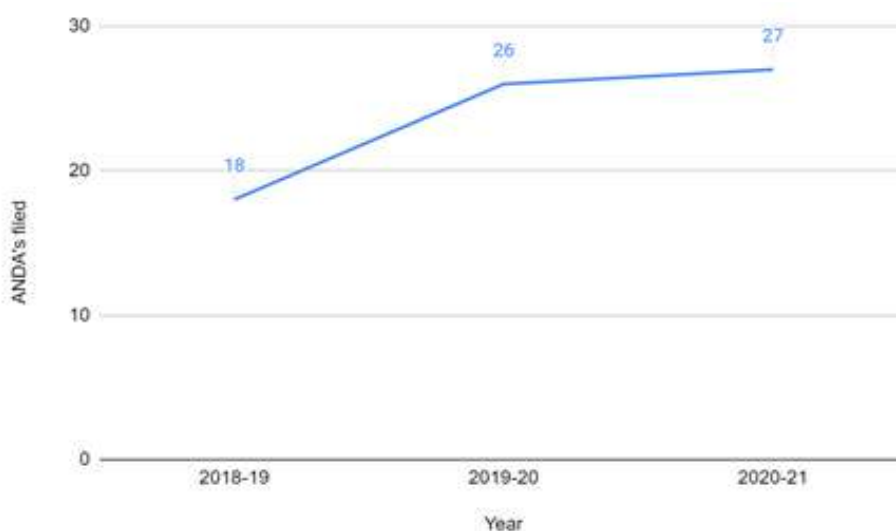
Since inception we have commercialised 60 active pharmaceutical ingredients (API) in the areas of antiretroviral (ARV), oncology, cardio, antidiabetics, anti-asthma, and gastroenterology. Our extensive R&D capabilities enable us to develop a wide array of products and more integrated services for our customers. In addition to commercialising our products domestically, we also market them globally in 60 countries. Sales in the international markets contribute to 65% of our sales. During the financial year we have developed 7 new innovative products.

Engagement with regulatory bodies

We regularly collaborate with regulatory health authorities on novel approaches, scientific discussions, prioritisation, and other aspects of Drug Master Files (DMFs), Abbreviated New Drug Applications (ANDAs), New Drug Applications (NDAs), and Marketing Authorisations (MAs) filing and life-cycle management.

Some of the regulatory authorities we regularly engage with include the USFDA, WHO, US FDA, PMDA, NIP Hungary, KFDA, ANVISA, JAZMP– Slovenia, EU (Germany), COFEPRIS and BfArM. We ensure achieving standardised product quality across all markets by maintaining uniformity in our manufacturing standards and facilities. In the financial year 2020-21 we have filed 27 ANDA's, 61 DMFs and we have received nine final approvals and eight tentative approvals. We have also filed 12 dossiers in Canada, nine in Europe, eight with WHO, two in South Africa, two in India and 14 in the rest of the world (RoW). In the last two years ANDA filings have increased by almost 50%.

We continue to strengthen our position in different therapeutic areas by our compliance culture and consistent investments in people, technologies, and processes.



To enable future expansion, we are in the midst of establishing a separate R&D centre and greenfield manufacturing capacity for Laurus Synthesis Private Limited.



Subsidiaries

We have five subsidiaries and three step down subsidiaries namely Sriam Labs Private Limited, Laurus Synthesis Private Limited, Laurus Holdings Ltd. UK, Laurus Generics SA (Pty) Ltd and Laurus Bio Private Limited, Laurus Ingredients Pvt Ltd, Laurus Generics GmbH, Germany and Laurus Generics Inc. To enable future expansion, we are in the midst of establishing a separate R&D centre and greenfield manufacturing capacity for Laurus Synthesis Private Limited.

Partnerships

At Laurus Labs expanding the product line, developing cost-effective healthcare solutions, and technological proficiency have helped us establish long-term relationships with major pharmaceutical companies. Our persistent efforts have allowed us to keep the top five clients, who account for a large amount of our revenue, which has been increasing annually for the past three years. We have participated in global fund tenders like PEPFAR and WHO, as well as in-country tenders in Africa. In addition, we have formed a contract manufacturing agreement with a European generics company.

Sustainability initiatives

Laurus labs strives to improve old practices by incorporating green chemistry. Our aim is to evolve cost-effective and environment-friendly manufacturing processes. In this regard, our prime focus is on reducing, recycling and reusing solvents, avoiding the use of toxic/hazardous raw materials, reducing waste and introducing energy efficient processes.

Few initiatives are highlighted below:



Case study 1:

The R&D team devised a highly cost-effective procedure for a specific customer project, in which an expensive precious metal catalyst was substituted with a reusable and inexpensive green catalyst (nano-sized regular metal). This innovation effectively lowers the project's COGS and leads to a more sustainable and responsible usage of non-renewable precious and rare metals.

Case study 2:

Hydrogenation at scale comes with a lot of operational risk & cost as it involves installation and maintenance of high-pressure & high-volume reaction vessels that utilize precious metal catalysts. The process development team came up with a novel approach wherein an existing high-pressure hydrogenation process was successfully scaled using a low-pressure autoclave without compromising on the recovery & reuse of the precious metal catalyst.

Social and relationship capital



Social and relationship capital

Our people and the relationships we build with our stakeholders- suppliers, customers, partners and communities form the foundation on which we grow and prosper. We believe we are an integral part of the community in which we operate, and we will only thrive together.

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Our social responsibility

While having a global footprint is crucial to our business, we also believe that investing in the upliftment of our local communities is equally important. Our strategy has been to consistently participate in selfless service and to lead our firm with a true sense of purpose since our inception. Our objective is to support Indian villages to not only grow, but also to establish themselves as clusters that bring together major corporate houses, planners, technologists, and development-oriented people who practise spiritual stewardship, scientific temper, and humanistic karma.

We aim to target our efforts in areas where we are particularly qualified to make a long-term positive difference. With socio-economic and educational development projects, we strive to improve community well-being. We communicate with NGOs, local leaders, and community representatives on a regular basis, both through formal and informal channels, to keep them informed about our operations and to learn how we can better contribute to the community's well-being.

Laurus Labs spent over ₹ 5.82 crores in FY 2020-21 on community development activities as part of its CSR commitments in various areas including social welfare, women empowerment, poverty & hunger alleviation, safe drinking water, green initiatives, and rural development.

	2019-20	2020-21
Total CSR spend (in crore)	4.55	5.82

As part of our commitment to sustainable growth and being a responsible corporate citizen, we kept a close eye on the situation and offered support to the community and those affected by the pandemic. We also take up ambitious initiatives to improve the wellness and invest in skill development of people in the communities in which we operate.

- **Combat during COVID:** We donated medicines, safety kits, to the PM CARES Fund and CM Relief Fund to support the healthcare ecosystem. Food, groceries and sanitisation support was given to the communities in need in Andhra Pradesh, Telangana and Kerala. We provided ration to the surrounding villages and PPE kits worth 2 crores were provided to the government hospitals.
- **Spandana-helping hands:** During the pandemic, our Spandana team, formed by the spouses of our employees, took the initiative of cooking food in apartment's basement every day, enough to feed nearly 500 poor and needy people. On a regular basis, food was packaged and served on the streets. The services were recognised by the GVMC (Greater Visakha Municipal Corporation) Commissioner and one of our Spandana team members was awarded the Corona Warrior Award.

The group also promotes women's empowerment as a top priority. Spandana seeks out and engages with the poorest members of society in order to solve their concerns and needs. While Laurus Labs contributes financially to the activities as a responsible corporate, Spandana puts that commitment into action in a timely and effective manner.

- **Adoption of government schools:** Laurus Labs signed a Memorandum of Understanding (MoU) with the state of Andhra Pradesh to adopt 359 schools under Connect Andhra program. Through this program, Laurus Labs will develop these adopted schools with better infrastructure facilities.
- **Science on Wheels:** We continued our program 'Science on Wheels,' a mobile laboratory with equipment to teach children science in a fun way through experiments, which is one of our outside-the-classroom activities. In and around Visakhapatnam, we regularly hold science fairs for children in government schools. For this initiative, approximately 12 schools with a total enrollment of 3,249 kids have been identified. Students in grades VI through X are taught by qualified instructors in the mobile van with the assistance of live models.
- **Blood donation camps:** Every year, staff at our R&D site in Hyderabad volunteer to donate blood at blood donation camps. It is held on June 28th to commemorate our Founder and CEO, Dr. Satyanarayana Chava's birthday.
- **Promoting education:** To boost industry-academic collaboration and promote student employability, Laurus Labs signed memorandums of understanding with Gitam University and Krishna University, both in Andhra Pradesh. We also encourage school children to develop a scientific temperament and curiosity, encouraging them to pursue science courses as part of their further education.

Spandana seeks out and engages with the poorest members of society in order to solve their concerns and needs.





Managing relationships with suppliers



Laurus Labs puts a significant importance on its suppliers and has put in place stringent procedures to improve market agility, ensure business continuity in the face of disruptions, maintain service standards, and minimize inventory carrying costs. As a responsible company, we firmly believe in complying with regulatory requirements and reinforcing ethical behaviour across our operations and our business value chain. We have around 40+ people in the team who are responsible for new product sourcing, commercial procurement, raw material delivery, packing materials and engineering materials.



We are committed deeply to all the aspects of our business operations, including actors in our supply chain, who are critical to our operations. Our strong supply chain management (SCM) supports our procurement process and ensures that environmental, social, and economic concerns are addressed.



As a responsible business, we are aware that the timely supply of high-quality medicines to our customers and patients is vital for enabling better access to healthcare. This is reflected in our expertise in responsible supply chain management. We have taken a number of steps to ensure supply continuity, including boosting inventory levels, expediting movement, customs clearances, maintaining strategic partnerships with vendors, and developing substitute domestic sources.



Key interventions in terms of supplier management were:



- In the reporting period, we worked with 2,100 vendors and we used to engage with vendors through phone, email, virtual meetings, physical meetings, interactions during annual International fairs, vendor plant visits and vendor audits.
- We value a strong and strategic vendor network and continuously work towards developing our domestic vendor base, backward integration of important products, make vs buy, and timely information flow among supply chain stakeholders.
- We have a nuanced procurement policy, and our key vendors are

assessed periodically, and necessary corrective actions are suggested for implementation.

- We have a reliable supplier cohort for services such as equipment maintenance, annual maintenance contracts, and personnel agencies.
- While overcoming pandemic-related challenges, our supply chain not only secured supply continuity, but also serviced 40% more orders.
- We ensured timely actions, strong information flow, strategic vendor partnerships and maintenance of inventory levels with the support of management.
- There are vendor evaluation, qualification and registration criteria based upon which suppliers are selected, retained and rewarded for performance.
- There is a process of engaging major suppliers wherein our CEO connects virtually.
- Regular supplier reviews and meets are helping us drive alignment in terms of EHS initiatives.
- In the spirit of 'Atmanirbhar Bharat' promoted by the Government of India, we have strategic partnership with multiple vendors that are a part of the national 'Make in India' initiative.

Additionally, global pharma events, seminars and symposiums serve as an interaction platform with vendors, where we articulate our requirements and evaluate how their offerings benefit us. With concerted and collaborative efforts with our supply chain partners and a dedication to our customers, our team was able to de-risk our production and ensure continuity in the production and supply of our products.

Highlight 2021:

- ***In the reporting period, 40% of the procurement is done through domestic sources.***
- ***2,100 vendors in FY 2020-21***

Managing relationships with customers

Our stakeholders not only expect us to do what is legally required, but also to act with high ethical standards wherever we operate and to be accountable for the way our business impacts people and the environment. We recognize these expectations of our company and strive to do what's right both for Laurus and for society at large.

Despite a challenging business environment, We have effectively maintained strong customer relationships, resulting in organisational stability and predictability. We engage with both potential and existing customers on a regular basis in order to be compliant with the changing market requirements. Going forward, our aspiration is to be the partner of choice for all our customers through cost leadership,



We engage with both potential and existing customers on a regular basis in order to comprehend the changing nature of market requirements

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backward integration, best-in-class customer service, and a strong compliance track record.

Everything we do revolves around our customers. We believe in a one-quality standard-for-all-markets approach for global markets. To stay relevant, we engage with both potential and existing customers on a regular basis in order to comprehend the changing nature of market requirements. As a result, we use a variety of methods to maintain constant contact with our consumers. We create value for our customers by adhering to the most stringent quality standards and compliance with global and local statutory and regulatory requirements at competitive prices. Building trust with customers, patients, associates and society is the foundation of our long-term success.

In the reporting period, we engaged with our consumers on a regular basis, mostly virtually. We took continuous inputs from our clients on their expectations, as we did every year, and matched our manufacturing/product development activities to fulfil the demands.

Highlight 2021:

- ***260 customers served across 56+ countries***
- ***Accord, Aspen, Aurobindo, GHSC Chemonics, i+ Solutions, Jamp, MSF, KRKA, Macleods, Merck, Mylan, Pfizer, Rising, UNDP, UNOPS, etc. are some of our major customers***

Managing relationships with ecosystem partners

Our expanding product portfolio, cost-effective healthcare solutions and technical expertise have won us long-standing relationships with multinational pharmaceutical companies. We have entered a partnership with a European generic player for contract manufacturing. We plan to raise the capacity to 10 billion units per year over the next 18 months in order to expand up this segment and cater to other companies. Also, we have a partnership with a global fund that offers higher volume contracts with reasonable predictability in the Finished Dosage Form (FDF) tender business.

We serve as active members in industry associations for public advocacy, a few of which are mentioned below:

- Confederation of Indian Industry



- Pharmaceuticals Export Promotion Council of India
- The Federation of TG and AP Chambers of Commerce & Industry (FTAPCCI)
- Bulk Drugs Manufacturers Association
- JNPC Manufacturers Association
- The Associated Chambers of Commerce & Industry of India
- Indo American Chamber of Commerce, Hyderabad
- Indian Drug Manufacturers Association
- Federation of Indian Chambers of Commerce and Industry

Global regulatory bodies such as the USFDA, WHO, European agencies, and others perform periodic audits of our facilities, with their results given top priority and compliance ensured. We employ software to keep track of local and worldwide rules so that we can better comply with all applicable laws.

We maintain an eye on the future as a growth-oriented company. A strategy team has also been tasked with identifying and assisting management in seizing new opportunities. We are constantly looking for ways to expand our portfolio and capacity in order to increase revenue.



Natural capital



Natural capital

We are committed to upholding our ethos of contributing to a greener environment and long-term value creation. We recognise the environmental impact of our business activities and work hard to ensure responsible environmental management and conservation in order to promote long-term profits for people and the world.

We are in the business of making millions of people's lives better, therefore, it is only right that we do so in a way that is neither harmful to our employees nor the people in the areas where we conduct business. At Laurus, we are committed to environmental sustainability across our business operations, to ensure that resources are utilised in a safe and responsible manner. Our senior leaders closely monitor the company's environmental footprint and drive sustainability initiatives through technological innovation in our operations and products. This positive approach benefits all stakeholders while also having a positive impact on the environment. Laurus' continued commitment to sustainability is reflected in our Environmental, Health and Safety (EHS) policy, which serves as a comprehensive guide for all of our stakeholders.

During FY 2020-21, we were compliant with all applicable environmental regulations. We follow all local environmental laws and regulations, as well as the principles of the Pharmaceutical Supply Chain Initiative (PSCI) and Generally Accepted Industry Practices (GAIP). Furthermore, we go above and beyond these principles to create a safe working culture that meets and exceeds industry standards. Due to our active monitoring and actions through Environmental Management Systems (EnMS), we do not have any open show cause/ legal notices, and no penalties were levied by environmental regulators. Our operations do not impact environmentally sensitive zones as all our manufacturing and R&D facilities are located in permitted areas.

Our manufacturing sites are certified for the Environment Management System (EMS) and Occupational Health and Safety Management System (OHSMS) on ISO 14001 and ISO 45001. Our formulation unit (unit 2) is under process for the certification for ISO 45001. These systems push us to do better, and hence the assessment of our practices is a vital focus area for us.

Environmental protection is an important aspect of our sustainability journey. We continuously monitor and minimise our environmental impact through energy and water conservation, waste management and optimal utilisation of resources.



We have made a concerted effort to move a greater proportion of our energy consumption to renewable and clean sources.

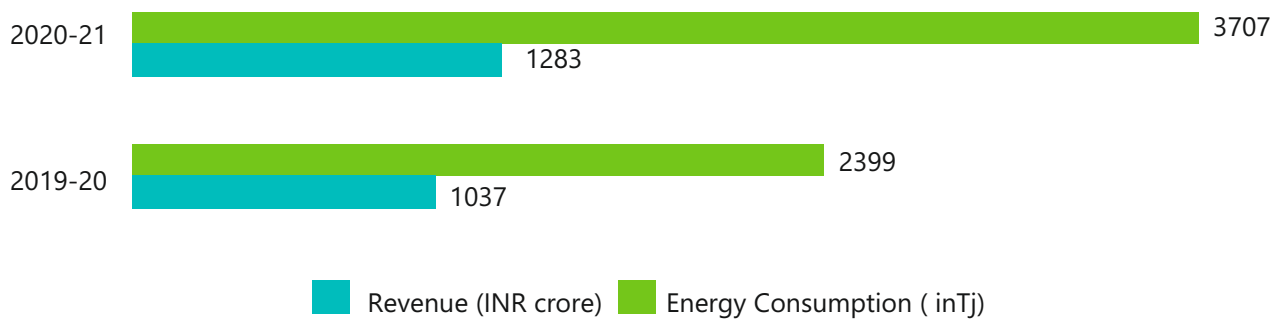


Energy management

Energy management is one of the prime focus areas under natural capital at Laurus, since it has a direct impact on emissions and cost of operations. Our manufacturing operations are heavily influenced by energy use and energy mix. We have made a concerted effort to move a greater proportion of our energy consumption to renewable and clean sources.

As compared to a 54% increase in revenue from Units 1 and 3, the total energy consumption only increased by 24% from 1037TJ to 1283TJ between FY 2020 and FY 2021. Further, the energy intensity for the two units reduced by 33% from 860GJ/MT to 579GJ/MT.

Total Energy Consumption viz a vis Revenue (for Units 1 & 3 only)



Note: only for Unit 1 and Unit 3

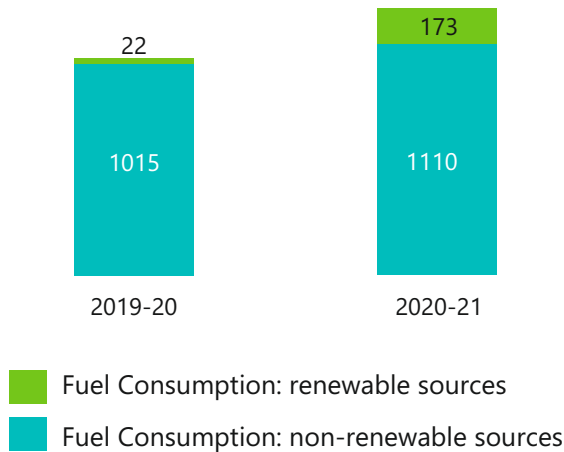
At Laurus Labs, we believe in adopting robust systems to ensure that its approach to energy consumption is accurate and stable. We have implemented a strong Energy Management System in each of our facilities in accordance with this approach. All our facilities use energy-efficient LED lighting. Further, we have also introduced energy-efficient machinery into the manufacturing process. Internal and external audits at our manufacturing locations keep track of our energy management performance and help identify areas for improvement.



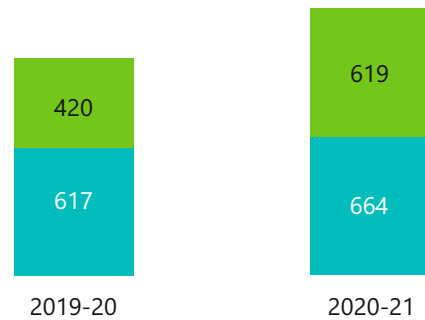
Various initiatives such as replacement of energy inefficient equipment and heat recovery in AHUs were undertaken. With these initiatives ~6 lakh units of power consumption was saved. In order to use sustainable energy, solar panels were installed on the rooftops, from which we generated 172.8TJ of energy. Inside the units we are using battery-powered and electric vehicles to encourage clean and green transportation.

As a result of these initiatives, we were able to increase the proportion of renewable energy (in units 1 and 3) from 2% of the total energy consumption in FY 2020 to 13% of the total energy consumption in FY 2021.

Energy Consumption (renewable and non-renewable energy sources (in TJ)



Energy Consumption (direct and in-direct energy sources (in TJ)



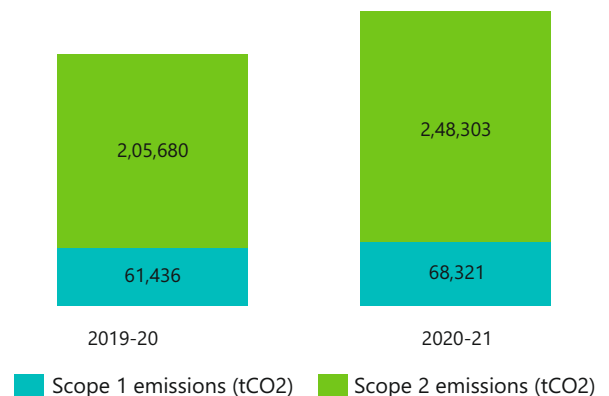
Note: only for Unit 1 and Unit 3

Emissions

At Laurus Labs, we understand the imperative to reduce Greenhouse Gas (GHG) emissions in our operations. Our GHG emissions are generated from diesel, natural gas, furnace oil (residual fuel oil) and electricity consumption. We were able to significantly reduce GHG emissions with the support of our renewable energy programmes, in addition to an overall reduction in GHG emissions through conventional energy sources.

We have used the Intergovernmental Panel on Climate Change (IPCC) AR 4 emission factors for fuels [Global warming potential (GWP), as per AR 5] and CEA (Central Electricity Authority) emission factors for grid electricity in India. We have also used country-specific emission factors for our electricity consumption in other countries. As we work towards slowly reducing our emissions, in FY 2021 we experienced a 19% increase in our total emissions from 2,67,117 tCO₂ to 3,16,625 tCO₂, vis a vis a 54% increase in our revenue for Units 1 and 3. Further, our GH intensity (tCO₂/MT) has reduced by 35% from 221 tCO₂/MT to 143 tCO₂/MT since the last financial year.

Emissions in tCO₂



Note: only for Unit 1 and Unit 3

Air emissions (tons)	2020-21
SOX emissions	347.98
NOX emissions	85.58
Other emissions	291.28

Note: only for Unit 1 and Unit 3

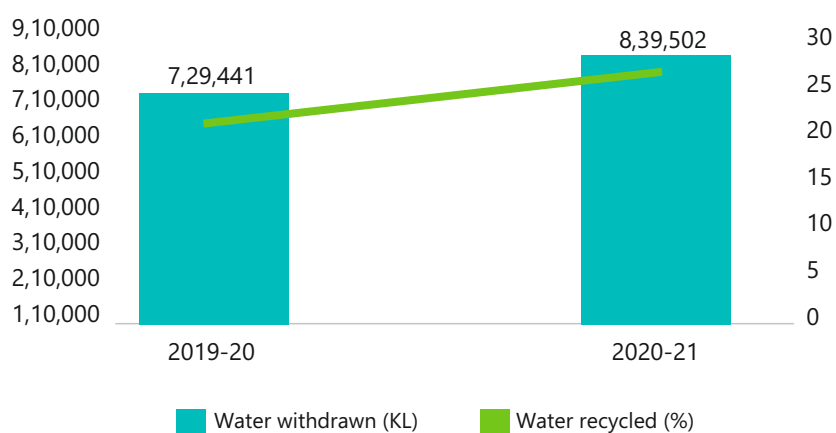
Water management

Water is a valuable natural resource and is used throughout our manufacturing process. Water management is therefore one of the most important parameters in our sustainability agenda. We take all possible precautionary measures to manage and improve our water footprint. We reduce, recycle, and reuse the highly pure water we use during the manufacturing process. Rainwater harvesting is also done in non-production areas such as administrative buildings and cafeterias. We have improvised our processes, equipment, technologies under operation which resulted in 11,914 KL of water reduction.

Few initiatives are:

- The amount of steam condensate water returned to the boiler is 1,22,441 KL
- 73,980 KL softener regeneration water is used for gardening
- The amount of HCl column condensate water used to make up the cooling tower is 20,890 KL
- Cooling towers employ reactor jacket drain water, which is 36,300 KL

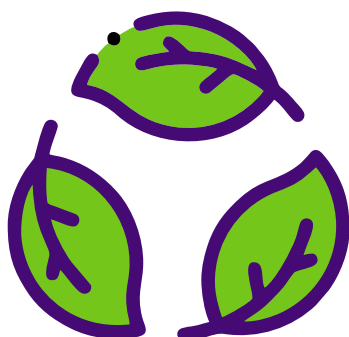
Water withdrawn viz a vis recycled



Note: only for Unit 1 and Unit 3

Our operational efficiency allows us to use resources conservatively and reduce waste.

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Waste and effluents

Laurus Labs strives to reduce waste generated at the source, where possible, and recycle the rest, in keeping with our focus on sustainable business operations. A considerable portion of the waste generated in the pharmaceutical industry is categorised as hazardous and must be handled with caution. We ensure that the waste generated by our operations is managed and disposed of responsibly and in accordance with all applicable regulatory rules.

We also regularly monitor our waste management systems and procedures to ensure that the waste generated throughout our sites undergoes proper and safe treatment. Solvent recovery systems deployed at our API locations allow predefined volumes of used solvent to be recovered. Our operational efficiency allows us to use resources conservatively and reduce waste. We comply with all the local and national regulations, in addition to adopting global standards in safe handling and disposal of emissions and effluents.

Wastewater is segregated into high total dissolved solids (HTDS) and low total dissolved solids (LTDS) water before being sent to the common effluent treatment plant (CETP) where it is further treated and disposed as per statutory guidelines. The toxic waste is intoxicated within the facility before disposal and the hazardous and non-hazardous solid waste is segregated at source. Through our focused yield improvement programs, we continue to minimise our waste and improve operational efficiency. In FY 2020-21, there were yield improvements to the extent of 3%-10% in five different products. During the reporting period, there were no spills reported. All non-hazardous waste, such as metal scrap, paper, etc. were sent to recyclers. Some of the active measures and interventions to reduce processed waste from our operations are:

- ATDF-2 process effluent generation reduced @12 KL per batch i.e., FY-2020-2021: 2,19,000
- By installing electrolytic water treatment system for cooling tower: 2,190 KL
- All used batteries are returned to the supplier or recycler. E-waste is collected and delivered to authorised recyclers
- In FY 2020-21 100% of the hazardous waste produced was disposed safely across units 1 and 3

Type of waste	2019-20	2020-21
Hazardous waste generated (MT)	2,921	3,755
Hazardous waste disposed (MT)	2,892	3,809*
Waste recycled (MT)	252	1,791
Total waste disposal (MT)	2,895	3,813
Wastewater discharged (KL)	3,03,174	3,57,057

Note: only for Unit 1 and Unit 3

*Additional waste from FY20 was processed for disposal in FY21, hence the hazardous waste disposed in FY21 is higher than the total hazardous waste generated.

In terms of material consumption, we are proactively working towards reducing material waste and move towards recycling input material.

Material consumption	2020-21
Raw material consumption (tons)	47,552
Associated materials (tons)	21,773
Semi-manufactured materials (tons)	44,802
Packaging materials (tons)	812
Recycled input material (tons)	1,46,142.5

In line with the decadal theme of "Ecosystem Restoration" as declared by the United Nations, the Laurus Labs team celebrated the month of June as Sustainability month across its operational units at Visakhapatnam and reiterated its commitment towards creating a greener future.

On the 5th of June plantation drives were conducted at various sites followed by a session by the Andhra Pradesh Pollution Control Board to spread the awareness on ecosystem restoration. More than 2900 saplings were planted by the Laurus team.



GRI Index

The table below provides an overview of key disclosures across relevant GRI standards. Additionally, we have also mapped disclosures as per the NVG BRR Principles.

GRI Standard	Disclosures	Report Section/ Chapters	GRI index (reference pages from this report)	Mapping BRR FY21 (Reference: Laurus Labs Annual Report FY 21- BRR section)	
GRI 101: Foundation 2016					
Organizational Profile					
GRI 102: General Disclosures 2016	102-1	Name of the organization	About Laurus Labs	12-16	Section A, Pg 89
	102-2	Activities, brands, products & services	About Laurus Labs	12-16	
	102-3	Location of headquarters	About Laurus Labs	12-16	
	102-4	Location of operations	About Laurus Labs	12-16	
	102-5	Ownership and legal form	About Laurus Labs	12-16	
	102-6	Markets served	About Laurus Labs	12-16	
	102-7	Scale of the organization	Human Capital	52	Principle 3, Pg 92
	102-8	Information on employees and other workers	Human Capital	52	Principle 3Pg 92
	102-9	Supply chain	Supplier engagement	49	
	102-10	Significant changes to the organization and its supply chain	Supplier engagement	48-49	
	102-11	Precautionary Principle or approach	Our approach to risk management	35-38	
	102-12	External Initiatives	Stakeholder engagement and materiality	30-33	Principle 4, Pg 92
	102-13	Membership of associations	Social and relationship capital	71-72	Principle 8, Pg 94-95
Strategy					
	102-14	Statement from senior decision-maker	About the report	9-10	
	102-15	Key impacts, risks, and opportunities	Our approach to risk management	35-38	
Ethics & Integrity					
	102-16	Values, principles, standards, and norms of behaviour	Our governance framework	18-21	Principle 1, pg 91
	102-17	Mechanisms for advice and concerns about ethics	Our governance framework	18-21	Principle 1, pg 91

GRI Standard	Disclosures	Report Section/ Chapters	GRI index (reference pages from this report)	Mapping BRR FY21 (Reference: Laurus Labs Annual Report FY 21- BRR section)	
Governance					
	102-18	Governance structure	Our governance framework	18-21	
	102-19	Delegating authority	Our governance framework	18-21	
	102-20	Executive-level responsibility for economic, environmental, and social topics	Our governance framework	18-21	
	102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder engagement and materiality	30-33	Principle 4, Pg 92
	102-22	Composition of the highest governance body and its committees	Our governance framework	18-21	
	102-23	Chair of the highest governance body	Our governance framework	18-21	
	102-24	Nominating and selecting the highest governance body	Our governance framework	18-21	
	102-25	Conflicts of interest	Our governance framework	18-21	
	102-26	Role of highest governance body in setting purpose, values, and strategy	Our governance framework	18-21	
	102-27	Collective knowledge of highest governance body	Our governance framework	18-21	
	102-28	Evaluating the highest governance body's performance	Our governance framework	18-21	
	102-29	Identifying and managing economic, environmental, and social impacts	Stakeholder engagement and materiality	30-33	Principle 6, Pg 92-93
	102-30	Effectiveness of risk management processes	Our approach to risk management	35-38	
	102-31	Review of economic, environmental, and social topics	Stakeholder engagement and materiality	30-33	Principle 6, Pg 92-93
	102-32	Highest governance body's role in sustainability reporting	Our governance framework	18-21	
	102-33	Communicating critical concerns	About the report	4-5	
	102-35	Remuneration policies	Our governance Framework	18-21	
	102-36	Process for determining remuneration	Our governance framework	18-21	
	102-37	Stakeholders Involvement in remuneration	Stakeholder engagement and materiality	30-33	Principle 4, Pg 92

GRI Standard	Disclosures	Report Section/ Chapters	GRI index (reference pages from this report)	Mapping BRR FY21 (Reference: Laurus Labs Annual Report FY 21- BRR section)	
Stakeholder Engagement					
	102-40	List of stakeholder groups	Stakeholder engagement and materiality	30-33	Principle 4, Pg 92
	102-41	Collective bargaining agreements	Our governance framework	18-21	
	102-42	Identifying and selecting stakeholders	Stakeholder engagement and materiality	30-33	Principle 4, Pg 92
	102-43	Approach to stakeholder engagement	Stakeholder engagement and materiality	30-33	
	102-44	Key topics and concerns raised	Stakeholder engagement and materiality	30-33	
Reporting Practice					
	102-46	Defining report content and topic boundaries	About the report	4-5	
	102-47	List of material topics	Stakeholder engagement and materiality	30-33	Principle 4, Pg 92
	102-48	Restatements of information	Scope and boundary	4-5	
	102-49	Changes in reporting	About the report	4-5	Section A-, Pg 89
	102-50	Reporting period	About the report	4-5	
	102-51	Date of most recent report	About the report	4-5	
	102-52	Reporting cycle	About the report	4-5	
	102-53	Contact point for questions regarding the report	About the report	Any feedback and query regarding this report can be communicated to emailinfo@lauruslabs.com	
	102-54	Claims of reporting in accordance with the GRI Standards	About the report	4-5	Section D, Pg 90
	102-55	GRI content index	GRI Index	80-84	
	102-56	External assurance	Stakeholder engagement and materiality	30-33	
Management Approach					
	This reference to GRI 103: Management Approach 2016 and Disclosures 103-1, 103-2 & 103-3 applies to all material topics covered by the topic specific GRI Standards listed below				
GRI103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Stakeholder engagement and materiality	30-33	Principle 6, Pg 92-93
	103-2	The management approach and its components	Stakeholder engagement and materiality	30-33	
	103-3	Evaluation of the management approach	Stakeholder engagement and materiality	30-33	

GRI Standard		Disclosures	Report Section/ Chapters	GRI index (reference pages from this report)	Mapping BRR FY21 (Reference: Laurus Labs Annual Report FY 21- BRR section)
Topic- Specific Disclosures					
Economic Performance					
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Financial capital	40-42	
	201-2	Financial implications and other risks and opportunities due to climate change	Our economic performance and strategic leadership	40-42	
	201-3	Defined benefit plan obligations and other retirement plans	Human capital	51-59	
	201-4	Financial assistance received from government	Financial Capital	40-42	
Indirect Economic Impact					
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Social and relationship capital	67-72	
Materials					
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Natural Capital	79	Principle 6, Pg 92-93
	301-2	Recycled input materials used	Natural Capital	79	
	301-3	Reclaimed products and their packaging materials	Natural Capital	79	
Energy					
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Natural Capital	75	Principle 5, Pg 89-90
	302-2	Energy consumption outside of the organization	Natural Capital	75	
	302-3	Energy intensity	Natural Capital	75	
	302-4	Reduction of energy consumption	Natural Capital	75	
	302-5	Reductions in energy requirements of products and services	Natural Capital	75	
Water					
GRI 303: Water 2016	303-1	Water withdrawal by source	Natural Capital	77	Principle 6, Pg 92-93
	303-2	Water sources significantly affected by the withdrawal of water	Natural Capital	77	
	303-3	Water recycled	Natural Capital	77	
Emissions					
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Natural Capital	76	Principle 6, Pg 92-93
	305-2	Energy indirect (Scope 2) GHG emissions	Natural Capital	76	
	305-4	GHG emissions intensity	Natural Capital	76	

GRI Standard		Disclosures	Report Section/ Chapters	GRI index (reference pages from this report)	Mapping BRR FY21 (Reference: Laurus Labs Annual Report FY 21- BRR section)
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Natural Capital	77	
Effluents and Waste					
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	Natural Capital	78	Principle 6, Pg 92-93
	306-2	Waste by type and disposal method	Natural Capital	79	
Supplier Environmental Assessment					
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Stakeholder engagement and materiality	30-33	Principle 4, Pg 92
Employment					
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Human capital	51-59	Principle 3, Pg 92–
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human capital	51-59	
	401-3	Parental leave	Human capital	51-59	
Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2016	403-1	Workers representation in formal joint management–worker health and safety committees	Human Capital	51-59	
	403-3	Workers with high incidence or high risk of diseases related to their occupation	Human Capital	51-59	
Training and Education					
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Human Capital	51-59	Principle 3,pg 92
	404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital	51-59	
	404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital	51-59	
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Human Capital	51-59	
Non-Discrimination					
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Human Capital	51-59	

List of abbreviations

S.No	Abbreviation	Full-form
1	ANDAs	Abbreviated New Drug Applications
2	ANVISA	National Health Surveillance Agency or ANVISA (Agência Nacional de Vigilância Sanitária)
3	API	Active pharmaceutical ingredient
4	ARV	Antiretroviral
5	CDMO	Contract Development and Manufacturing Organization
6	CEA	Central Electricity Authority
7	COFEPRIS	Federal Commission for the Protection against Sanitary Risk
8	CRAMS	Contract Research and Manufacturing Services
9	DMFs	Drug Master Files
10	EHS	Environment , health and safety
11	ESG	Environmental, social and governance
12	FDA	Food and Drug Administration
13	FDf	Fixed Dosage Formulations
14	GAIP	Generally Accepted Industry Practices
15	GRI	Global reporting initiative
16	GVMC	Greater Visakha Municipal Corporation
17	GWP	Global warming potential
18	HR	Human Resource
19	IIRC	International Integrated Reporting Council
20	IPCC	Intergovernmental Panel on Climate Change
21	IR	Integrated report
22	ISO	International Organization for Standardization
23	JAZMP	Agency for Medicinal Products and Medical Devices of the Republic of Slovenia
24	KFDA	Korea Food & Drug Administration
25	KFDA	Korea Food and Drug Administration
26	L&D	Learning and development
27	LDP	Leadership Development Program
28	LMIC	Low- and Middle-Income Countries
29	Mas	Marketing Authorizations
30	MDP	Management Development Plan
31	MSCI	Morgan Stanley Capital International
32	NDAS	New Drug Applications
33	NVG	National Voluntary Guidelines
34	OHSMS	Occupational Health and Safety Management System
35	OSHAS	Occupational Safety and Health Administration
36	PMDA	Pharmaceuticals and Medical Devices Agency
37	PPE	Personal Protective Equipment
38	PSCI	Pharmaceutical Supply Chain Initiative
39	R&D	Research and Development
40	RPF	Rotary Pressure Filter
41	RT-PCR	Reverse transcription polymerase chain reaction
42	SASB	Sustainability Accounting Standards Board
43	SCM	Supply chain management
44	SEBI	Securities and Exchange Board of India
45	SOP	Standard Operation Procedures
46	TDS	Total Dissolved Solids
47	UN SDGs	United Nations Sustainable Development Goals
48	US FDA	United States Food and Drug Administration
49	WHO	World Health Organization



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