



# ESG Factbook

# FY 2025

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## About this Factbook



The ESG Factbook offers a supplementary collection of pertinent and material Environmental, Social, and Governance (ESG) information, and it should be referred to alongside our Integrated Annual Report FY 2025 for a comprehensive understanding of our sustainability practices. Unless specified otherwise, the ESG data within this book encompasses our global operations, ensuring a holistic view of our impact and initiatives worldwide. The data presented in the Factbook is aligned with reference to GRI standards and all financial figures are presented in INR unless indicated otherwise.



Through this factbook, we aim to provide stakeholders with transparent and detailed insights into our ESG performance, reinforcing our commitment to responsible and sustainable business practices.



# ESG Targets

## Progressing on our Sustainability Commitments

	Targets	FY 2025 Performance
Environmental Targets	<ul style="list-style-type: none"> <li>• Reduce absolute scope 1 and 2 GHG emissions 42.0% by FY2031 from a FY 2025 base year.</li> <li>• Reduce scope 3 GHG emissions 51.6% per INR value added by FY 2031 from a FY 2025 base year.</li> <li>• Conduct a Life Cycle Assessment (LCA)/ Product Carbon Footprint (PCF) evaluation for the top 10 products by the end of FY 2030</li> <li>• Achieve an energy efficiency improvement of 15% by FY2030, using FY2025 as the base year.</li> <li>• Achieve 40% renewable energy contribution to total energy consumption by FY 2030.</li> <li>• Achieve a 20% water recycling against business-as-usual projections by 2030 via strategic efficiency initiatives considering the base year FY 2025.</li> <li>• Striving for Zero Waste to Landfill – 80% of hazardous wastes routed to recycling and co-processing at all operational sites by FY2030.</li> <li>• Reduce emissions of air pollutants (SOx, NOx, and Particulate Matter) by 5% by 2030, compared to the base year FY2025.</li> </ul>	<ul style="list-style-type: none"> <li>• Total reported Scope 1 and Scope 2 emissions were 315,457 tCO<sub>2</sub>e</li> <li>• and 181,901 tCO<sub>2</sub>e, respectively.</li> <li>• Total Scope 3 emissions amounted to 312,166 tCO<sub>2</sub>e.</li> <li>• Total energy consumption stood at 1,004,240.13 MWh.</li> <li>• Total water withdrawal was 1,560,000 KL.</li> <li>• A total of 6,788 MT of hazardous waste was sent to landfill.</li> <li>• No product recalls were reported during the period.</li> </ul>

	<ul style="list-style-type: none"> <li>• Conduct a comprehensive biodiversity assessment and implement conservation measures to protect endangered species and critical habitats by 2030.</li> <li>• Achieve zero product recall and incidents across the business.</li> </ul>	
<p>Social Targets</p>	<ul style="list-style-type: none"> <li>• Sustain our established fair compensation structure, ensuring 100% of direct and indirect employees continue to receive wages meeting living wage benchmarks.</li> <li>• Achieve a goal of zero reportable accidents throughout all operations.</li> <li>• Continue to implement the standing orders agreement across all relevant Laurus Labs locations, ensuring that the rights of employees to associate freely and engage in collective bargaining are upheld on a bi-annual basis.</li> <li>• 10% female representation in the Employees by FY 2030.</li> <li>• Achieve an average of 48 training man-hours per employee annually by FY 2030.</li> <li>• Ensure 100% of employees receive annual refresher training on the Human Rights Policy.</li> <li>• Ensure zero incidents of human rights violations on an annual basis.</li> </ul>	<ul style="list-style-type: none"> <li>• Zero incidents were reported during the reporting period.</li> <li>• Achieved 100% compliance, with all direct and indirect employees paid above the living wage benchmark.</li> <li>• Regular worker committee meetings were conducted throughout the reporting period.</li> <li>• Women represented 9% of the total workforce across the organization.</li> <li>• An average of 27.3 hours of training per employee was reported.</li> <li>• Zero human rights incidents were reported during the period.</li> </ul>

<p>Governance Targets</p>	<ul style="list-style-type: none"> <li>• Achieve zero confirmed incidents of code of conduct violation.</li> <li>• Achieve zero confirmed incidents of corruption and bribery.</li> <li>• 100% of employees are trained on the employee business code of conduct &amp; ethics policy.</li> <li>• Achieve zero confirmed information security incidents.</li> <li>• 100% of key supply partners will be assessed periodically against the Laurus Labs sustainability criteria by the end of the FY 2030.</li> <li>• To ensure that 50% of assessed key supply partners follow the environmental, health, and safety, and human rights procedures and policy.</li> <li>• 100% of key supply partners establishing and conducting business with Laurus Labs must acknowledge Laurus Labs supplier code of conduct by the end of the FY 2030.</li> <li>• 100% training coverage of procurement team employees on Laurus Labs Sustainability initiatives by the end of the FY 2027.</li> </ul>	<ul style="list-style-type: none"> <li>• Zero corruption incidents were reported during the reporting period.</li> <li>• Zero information security breaches were reported.</li> <li>• 100% of key suppliers were assessed on Environmental, Social, and Governance (ESG) criteria.</li> </ul>
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# ESG Performance

## Environment

### Assurance

Our environmental assurance is carried out by Cetizion Verifica third party company. The Independent Assurance was carried out in accordance with Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” (“ISAE 3000”) and with the International Standard on Assurance Engagements 3410 “Assurance Engagements on Greenhouse Gas Statements” (“ISAE 3410”). To achieve “Limited” assurance, ISAE 3000 and ISAE 3410 requires that we review the processes, systems and competencies used to compile the subject matter, on which we provide limited assurance. It does not include detailed testing for each of the KPI reported, or of the operating effectiveness of processes and internal controls

### Environmental Management

#### EHS Policy

Laurus commitment to Employee well-being, Health, and Safety is deeply embedded within its Integrating Environmental, Occupational Health and Safety (OHS) management system. This integration ensures that safety practices are a core aspect of all organizational operations. The approach is guided by several EHS principles, starting with Leadership Commitment, which is demonstrated through a corporate EHS policy that navigates best practices and reflects management’s dedication to achieving the highest standards of EHS across all facilities. Compliance and regulatory adherence are other key principles, with Laurus adhering to stringent legal, regulatory, and statutory requirements supported by a robust system to track, update, and communicate these requirements to relevant stakeholders.

The safety committee and process safety committee, supported by safety policy, support the implementation of our approach and ambition for health and safety. Implementing internationally recognized standards, particularly the Occupational Health and Safety Management Systems (ISO 45001:2018), ensures a systematic approach to managing health and safety risks.

Currently, 100% of our manufacturing sites globally are certified to ISO 14001 and ISO 50001 standards, affirming our commitment to international environmental best practices.

## Energy

During the year under review, we strengthened our sustainable energy efforts by diversifying our energy mix and driving greater efficiency across our operations. Our current energy portfolio includes coal, diesel, grid electricity, solar power, and steam from waste heat recovery, with coal and grid electricity remaining the primary sources of emissions. To tackle this, we are steadily increasing the share of renewable energy and working to optimise energy use across all our facilities, reinforcing our commitment to lower our carbon footprint and operate more sustainably.

Focus Area	Parameter	UoM	FY 2023	FY 2024	FY 2025
Energy Mix	Total non-renewable energy consumption	MWh	837,220.7	975,318.72	971,028.17
	Total non-renewable energy consumption	MWh	35,819.06	21,583.54	33,211.96
	Total energy consumption	MWh	873,039.76	996,902.26	10,04,240.13

## Total GHG Emissions

Our efforts are guided by a comprehensive annual greenhouse gas (GHG) inventory that maps emission hotspots and helps prioritise and implement targeted reduction measures. This inventory covers Scope 1, Scope 2, and selected Scope 3 emissions, providing a clear basis for setting and tracking our reduction targets.

Focus Area	Parameter	UoM	FY 2023	FY 2024	FY 2025
GHG Emissions	Direct Greenhouse Gas Emissions (Scope 1)	T CO <sub>2</sub> e	182,215	3,21,270	3,15,457
	Indirect Greenhouse Gas Emissions (Scope 2)	T CO <sub>2</sub> e	159,094	1,76,679	1,81,901
	Scope 1+2	T CO <sub>2</sub> e	341,309	497,947	497,358
	Total indirectGHG emissions (Scope 3)	T CO <sub>2</sub> e	73,322	87,212	3,12,166

Focus Area	Parameter	UoM	FY 2023	FY 2024	FY 2025
<b>Scope 3</b>	Total indirect GHG emissions (Scope 3)	T CO2 e	73,322	87,212	3,12,166
	Category 1: Purchase goods and services	T CO2 e	44,726.42	59,182	83,702.79
	Category 2: Capital Goods	T CO2 e	-	-	15,806.74
	Category 3: Fuel and Energy	T CO2 e	16,864.06	19,952	87,381.39
	Category 4: Upstream Transport and distribution	T CO2 e	5,132.54	4,745	60,390.77
	Category 5: Waste Generated in operations	T CO2 e	-	-	3943.08
	Category 6: Business Travel	T CO2 e	-	-	774.02
	Category 7: Employee Commute	T CO2 e	-	-	6971.82
	Category 9: Downstream Transportation & Distribution	T CO2 e	6,598.98	-	18782.5
	Category 10: Processing of sold products	T CO2 e	-	-	34,412.89

## Waste Management

We are committed to efficient waste management, ensuring responsible treatment and disposal of all waste types. Guided by the principles of Reduce, Reuse, and Recycle, we manage various waste streams, including hazardous, non-hazardous, e-waste, and biomedical waste. This approach ensures compliance with government regulations and helps minimise our environmental footprint.

### Case Study

Laurus using jumbo bags Optimization of primary packaging to reduce its dimensions, weight, or simplify material mix

At Laurus Labs Limited, primary packaging optimization is driven by the objective of reducing environmental impact while maintaining product integrity and operational efficiency. The company promotes the use of jumbo bags (Flexible Intermediate Bulk Containers – FIBCs) as a sustainable alternative to conventional smaller packaging units

### Approach

The adoption of jumbo bags supports bulk packaging, enabling consolidation of materials into larger units. This approach aligns with sustainable procurement principles under ISO 20400, focusing on resource efficiency, lifecycle thinking, and waste minimization.

### Key Benefits

- **Material Reduction:** Decreases the use of multiple smaller bags and associated packaging materials
- **Weight & Volume Optimization:** Improves packaging-to-product ratio, enhancing storage and transport efficiency
- **Simplified Material Mix:** Promotes standardization, enabling easier handling and recyclability
- **Logistics Efficiency:** Reduces handling units, leading to lower fuel consumption and associated emissions
- **Waste Minimization:** Supports reduction of packaging waste and encourages reuse/recycling practices

### Sustainability Impact

- Reduced consumption of packaging materials
- Lower carbon footprint from transportation and handling
- Improved operational efficiency across the supply chain



Focus Area	Parameter	UoM	FY 2023	FY 2024	FY 2025
<b>Non Hazardous Waste</b>	Total waste disposed	Metric Tonnes	5,950	7,531.6	7,291
	Total waste recycled/ Reused	Metric Tonnes	2.68	3,594	4,096
	Waste landfilled	Metric Tonnes	0	0	0
	Waste incinerated with energy recovery	Metric Tonnes	0	0	0
	Waste incinerated without energy recovery	Metric Tonnes	0	0	0
	Waste otherwise disposed (Co-processing)	Metric Tonnes	0	0	0
	Waste with unknown disposal method	Metric Tonnes	5,950	7,531.6	7,291

Focus Area	Parameter	UoM	FY 2023	FY 2024	FY 2025
<b>Hazardous Waste</b>	Total hazardous waste disposed	Metric Tonnes	6,738.9	10,832.6	12,004
	Total hazardous waste recycled/reused	Metric Tonnes	20,719	22,883.6	30,331
	Hazardous wastelandfilled	Metric Tonnes	1,696	5,752	6,788
	Hazardous waste incinerated with energyrecovery	Metric Tonnes	0	0	0
	Hazardous waste incinerated without energy recovery	Metric Tonnes	528.9	818	433
	Hazardous waste otherwise disposed (Co-processing)	Metric Tonnes	4,514	4,262.6	4,783
	Hazardous waste with unknown disposal method	Metric Tonnes	0	0	0

Focus Area	Parameter	UoM	FY 2023	FY 2024	FY 2025
<b>Total Waste</b>	Percentage of total waste from company operations diverted from landfills	%	62.85	57.62	66

## Water Management

We recognise the importance of responsible water stewardship and the need to optimise our freshwater use and enhance water efficiency throughout our operations. Our approach focuses on recycling and reuse technologies, ensuring water management practices that support both sustainability and operational needs

Focus Area	Parameter	UoM	FY 2023	FY 2024	FY 2025
<b>Water</b>	Total water withdrawal (A)	Cubic Meter	1390000	1580000	1560000
	Total water discharge (B)	Cubic Meter	900000	610000	560000
	Total net freshwater consumption (A-B)	Cubic Meter	490000	970000	1000000

## Biodiversity

We recognize the critical role of biodiversity in sustaining ecosystem health and human well-being. We ensure that biodiversity considerations are embedded in our decision-making processes and align our efforts with the highest legal and conservation standards

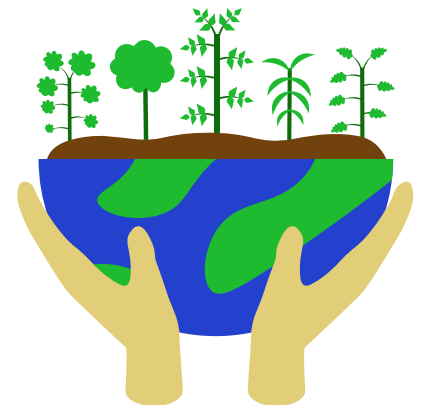
We promote biodiversity conservation through awareness programmes for our workforce, celebrating days like World Environment Day and Biodiversity Day with workshops and activities.

Our collaboration with local environmental bodies, such as the Andhra Pradesh Pollution Control Board, supports community initiatives like beach clean-ups and tree-planting campaigns.

### Way forward

Looking ahead, we aim to continue expanding our green initiatives to foster a healthier planet through partnerships and community-focused actions. We are working to strengthen our planting initiatives and enhance environmental education programmes, with a focus on driving meaningful and lasting stewardship in FY26.

Moreover, as part of our ESG initiatives, we planted -- saplings in FY 2025.



# ESG Performance

## Social

### Human Rights

Laurus has demonstrated a strong commitment to human rights through a comprehensive Human Rights Due Diligence (HRDD) exercise, reflecting its dedication to ethical and responsible business conduct. By aligning with global standards and the principles of the United Nations Global Compact (UNGC), Laurus has put in place a robust Human Rights policy that ensures compliance with all applicable laws, regulations, and the company's internal protocols. This commitment is an integral part of Company's broader objectives, which include enhancing workplace culture, protecting the environment, ensuring a sustainable supply chain, and uplifting the communities in which it operates.

The HRDD exercise focused on assessing the human rights landscape within Laurus 's operations. This assessment involved a multi-faceted approach to stakeholder engagement, utilizing online surveys and video-conference interviews to gather comprehensive insights. The findings informed the development of a Remediation and Mitigation Plan, prioritizing the most severe concerns and proposing targeted solutions to foster a safer, more inclusive, and engaging workplace environment. Key immediate actions include facilitation of better communication between the Manager and the Team along with bolstering wellness programs.

Moreover, the plan underscores the importance of ongoing employee engagement, continuous monitoring, and regular training initiatives to ensure the effectiveness and sustainability of the measures. By focusing on both immediate rectification and long-term cultural shifts, Laurus is poised to make significant strides in safeguarding human rights and enhancing employee well-being. This HRDD initiative not only reaffirms Laurus's pledge to transparency and accountability but also solidifies its role as a responsible and ethical leader in the pharmaceutical industry.

Our policies align with international human rights conventions, including the Universal Declaration of Human Rights (UDHR), International Labour Organisation (ILO) standards, and the United Nations Guiding Principles on Business and Human Rights (UNGPs). We maintain strict compliance with labour laws, ensuring safe working conditions, fair wages, and non-discriminatory practices.

## Employee Information

Focus Area	Parameter	UoM	FY 2023	FY 2024	FY 2025
Workforce Breakdown (Gender)	Women in total workforce	Percentage	7.27	7	9
	Women in all management Positions	Percentage	0	1.09	7.97
	Women in junior management Positions	Percentage	0	2.5	8.62
	Share of women in top management positions, i.e., maximum two levels away from the CEO or comparable Positions	Percentage	8.3	0	6.18
	Women in revenue generating Functions	Percentage	0	1.4	1.14
	Women in STEM-relate Position	Percentage	19	0	0

Focus Area	Parameter	UoM	Share in total Workforce	Share in all management positions
Workforce Breakdown (Ethnicity & Nationality)	Asian	Percentage	100	100
	Black or AfricanAmerican	Percentage	0	0
	Hispanic or Latino	Percentage	0	0
	White	Percentage	0	0
	Indigenous or Native	Percentage	0	0
	Others	Percentage	0	0



## Gender Pay Indicators

Focus Area	Parameter	UoM	FY 2023	FY 2024	FY 2025
Gender Pay Indicators	Mean gender pay gap	%	21	21	20

## Freedom of Association

Focus Area	Parameter	UoM	FY 2023	FY 2024	FY 2025
Freedom of Association	Employees represented by an independent trade union or covered by collective bargaining agreements	%	Nil	Nil	Nil

## Human Capital Return on Investment

Focus Area	Parameter	UoM	FY 2025
Human Capital Return on Investment	A. Total revenue	INR	52,16,98,00,000
	B. Total operating expenses	INR	42,72,65,00,000
	C. Total employee related expenses (salaries + benefits) *	INR	6,08,64,00,000
	Resulting HC ROI (A-(B-C))/C	Percentage	2.55154
	Total full-time employees	Number	6,167

## Hiring

Focus Area	Parameter	UoM	FY 2022	FY 2023	FY 2024	FY 2025
Hiring	Total number of new employee hires	Number	1,757	1,074	702	1,108

Focus Area	Parameter	UoM	FY 2025
New Employee Hires	New employee hires- by management level		
	Senior management	Number	2
	Middle management	Number	1
	Junior management	Number	0
	Non-management	Number	1,105
	New employee hires- by gender		
	Male	Number	1,016
	Female	Number	92

## Employee Wellbeing

Focus Area	Parameter	UoM	FY 2024	FY 2025
Employee Wellbeing*	% of employees with top level of engagement satisfaction, wellbeing, or employee net promoter score (eNPS)	Percentage	87	80
	% of employees who responded to the survey	Percentage	98	95

## Performance Appraisal

At Laurus, we implement a comprehensive performance management system that includes both individual and team-based appraisals, conducted annually. Our approach encompasses various methodologies such as Management by Objectives (A systematic process in which employees have pre-defined and measurable goals that are set in a collaborative manner on at least a yearly basis together with their line manager and routinely followed up on), Multidimensional Performance Appraisals, and Agile conversations. This multifaceted strategy not only fosters personal development among employees but also promotes a holistic team management perspective. By integrating these diverse appraisal techniques, we effectively manage skills and enhance human capital within the organization, ensuring continuous growth and development.

## Employee Support Programs

**Laurus**, is committed to implementing comprehensive support initiatives that promote the well-being and work-life balance of its staff.



Every region has a unique approach toward employee wellbeing. Below mentioned are some of the prominent benefits offered by Laurus in many geographies.

- **Employee Assistance Programs:** ‘Employee Assistance Program’ is available for all employees in many geographies including India. The program is free, voluntary and confidential for all our employees. It provides services such as counselling sessions, life coaches and mental well-being programs.
- **Flexible working Arrangements:** We provide flexibility to our employees in working hours where we have core and non-core working hours. The employees can choose to plan their work hours basis their convenience within the ambit of the policy. We offer work from home arrangement in many geographies where employees can adjust their schedules and create a work environment tailored to their preferences.
- **Childcare facilities or contributions:** Formal creche policy
- **Parental Leave:** Our parental leave is in line with the statutory requirement for females (26 weeks in India) and for males we offer a paternity leave of 3 days. We also provide adoption leave for men and women as well as surrogacy leave for women
- **Paid leave beyond parental leave:** We offer a healthy mix of Privilege Leave, Casual Leaves and Sick leaves besides the parental care leaves to ensure employees at all times are equipped to handle all personal obligations. In India
- **Living Wage assessment:** In 2025, Laurus Lab conducted a comprehensive living wage assessment and confirmed that none of its employees—including both direct and indirect workforce—were earning below the established living wage benchmark. The organization remains committed to continuing these assessments on a regular basis and ensuring that all employees are compensated fairly, consistently maintaining wages above the living wage benchmark.



## Employee Development Programs



**a.** Learning methods (externally/internally) offered for employee development include:

- **Coaching or Mentorship:**

SANCHALAK – The Guide: A mentoring and career coaching initiative to strengthen leadership pipelines and enhance employee growth. It enhances internal communication and foster peer-to-peer engagement.

- Teams and Networks (e.g. Employee Resource Groups) For the entire year, we conduct training on various topics which are delivered by trainers who have expertise in handling and delivering such sessions, either offline or online. It includes Laurus Leadership Development Face to Face Work, and Online Digital Learning (for 12 months) on Conversations and More Elantree Program (Leadership and Communication) and Prabuddha Program (Emotional Intelligence and Inner Being). For L1-L4 Employees: The training, Pioneer Program regarding Level 2,3 & 4 comprises 30 members per batch and a two-day workshop every quarter (4 times a year) is conducted, both offline as well as online. For L5-L7 Employees: The trainings, Synergy Program regarding Level 5,6 & 7 will comprise of 50 members per batch and one day workshop half yearly, (2 times a year), both offline as well as online. The Pioneer & Synergy workshop at Laurus Labs focused on strengthening vital professional skills, including effective communication, engaging presentation techniques, and collaborative teamwork. The sessions aimed to build core competencies that drive both individual growth and team success, enabling participants to navigate dynamic work environments with greater confidence and cohesion. Additionally, Pioneer and Synergy served as a valuable platform for knowledge exchange and collaborative learning.

**b.** Type of program offered for employee development includes:

- Leadership development program Leadership Development Program (LDP) - Gearing Up Leaders for Tomorrow. The organization has identified two levels of Leadership – the top 10 who work closely with the current top leadership and the next 40 to 50 critical leaders for whom they wish to plan interventions with a focus on 'Gearing Up for Tomorrow.'

High Places as a partner is working with the Laurus Leadership team and would like to extend its expertise to help develop these Leaders for Tomorrow. To kick start the initiative, the organisers had a one-on-one talk with the top 5-8 leaders, based on our input and insights through the above engagement, they would structure and design the developmental approach and plan for the select bunch of leaders.

The approach is being planned as mentioned below:

- An intervention with current top leadership to define expectations from the next top line and their second line.
- Few interventions with the next top leadership which may include some inventories/tools, group working and working individuals. It would also include feedback, sharing of expectations from the top and their expectations from the current top and the next line.
- For the second level of leaders, we presume there could be few sessions that may include behavioral and skill training, feedback, assessment and development plan based on identification of critical competencies. Development of monitoring and guiding mechanisms through assignments and other engagements.
- **Cultural Education:** As part of our commitment to having an inclusive and diverse workforce, we conduct annual refresher training for all our employees on code of conduct and Non-Discrimination policy. All employees are required to be part of the session.
- **Transition program for retiring and terminated employees:** We guide our employees, especially those who are on the verge of getting Retired to focus on what they can do after it. This includes giving them an understanding of Government pension schemes, financial literacy, etc.
- **Digital transition program:** MANTHAN and Management Development Programme (MDP): This program is designed to focus on digital transformation, sustainability, and functional excellence, empowering employees with the latest industry insights and best practices.

A batch comprising of 30 to 34 members are being nominated across the organization from Level 3. This program is divided into four phases:

**Step 1:** Competency Assessment using 15 FQ to the participant and 360 degree, 10 responses from his peers, cross functional teams and subordinates.

**Step 2:** One to one feedback and MyDP, where group feedback session, followed by one-one feedback is assessed to interpret the report. Benchmark capabilities to give actionable feedback and activate employee growth along with Action Plan.

**Step 3:** Learning Intervention - A 12 Month comprehensive Intervention with series of 12 sessions (2 days' workshop) in a year (in class, on field, virtual).

**Step 4:** Review and Follow-up sessions. The details of the same will be shared with the nominees and their reporting managers/HOD

**C. Coverage:** The Pioneer Program and Synergy program extends to contractual or part-time employees as well.

## Employee Turnover Rate

Focus Area	Parameter	UoM	FY 2023	FY 2024	FY 2025
Total Employee Turnover Rate	Total employee turnover rate	Percentage	19	17	17
	Total voluntary turnover rate	Percentage	19	17	17

## Employee Turnover Rate

Focus Area	Parameter	UoM	FY 2025
Total Voluntary Turnover Rate	Voluntary turnover rate - by management level		
	Senior management	No	4
	Middle management	No	2
	Junior management	No	0
	Non-management	No	817
	Voluntary turnover rate- by gender		
	Male	No	779
	Female	No	44

## Parental Leave

Focus Area	Parameter	UoM	Male	Female	Total
Parental Leave*	Employees entitled to parental leave	Number	4270	428	4698
	Employees availed parental leave	Number	351	47	398
	Employees who were due to return to work in the reporting period after parental leave ended	Number	0	9	9
	Employees who returned to work in the reporting period after the parental leave Ended	Number	351	37	388
	Employees who returned to work after parental leave ended and were due to complete 12 months after their return to Work	Number	0	0	0
	Employees who returned to work after parental leave ended and were still employed 12 months after their return to Work	Number	305	36	341
	Return to work rate	Number	100	67	-
	Retention rate	Number	100	100	-

Focus Area	Parameter	UoM	FY 2025
Parental Leave*	Total number of paid leave in weeks offered to your employees- Primary Caregiver	Number	24 weeks- Maternal Leave
	Total number of paid leave in weeks offered to your employees - Non- Primary Caregiver	number	24 weeks- Maternal Leave

\*Data for India FTE

## Employee Training

Focus Area	Parameter	UoM	FY 2025
Training hours	Average training hours per full time employee (FTE)	Hours	27.03
Training Cost	Average training cost per full time employee (FTE)	INR	1,330

\*Communication and training about anti-corruption policies and procedures is included under Compliance training

## Occupational Health and Safety

Focus Area	Parameter	UoM	FY 2023	FY 2024	FY 2025
Occupational Health and Safety	Total number of fatalities	Number	5	0	0
	<ul style="list-style-type: none"> <li>Total number of work-related fatalities for permanent Employees</li> </ul>	Number	3	0	0
	<ul style="list-style-type: none"> <li>Total number of work-related fatalities for permanent workers</li> </ul>	Number	2	0	0
	Lost time incident rate (LTIR)	LTIR (n/200,000 hours worked)	0.23	0	0
	Total recordable work-related injuries (Employees)	Number	3	0	0
	Total recordable work-related injuries (Workers)	Number	2	0	0
	Occupational disease	Number	0	0	0

# ESG Performance

## Governance

### Board of Directors

We have developed a robust governance structure that highlights our dedication to strong and effective governance practices. Our Board is enabled to ensure transparency, accountability, and integrity throughout the organization. As on date, our Board of Directors consists of -- members, including -- female directors. We have a single-tier board comprising three executive directors and -- independent directors.

**Dr. Satyanarayana Chava**

Executive Director and Chief Executive Officer

**Mr. V.V. Ravi Kumar**

Executive Director and Chief Financial Officer

**Appointment**

Dr. Satyanarayana Chava has been serving as an Executive, whole-time Director, and the Chief Executive Officer of the Company since January 21, 2006.

Mr. V V Ravi Kumar has been serving as an Executive, whole-time Director, and Chief Financial Officer of the Company since November 30, 2006.

**Skill and expertise**

Dr. Satyanarayana Chava brings a wealth of knowledge and leadership to his role as CEO, driving growth for the Company. His deep scientific background and extensive experience in research have been pivotal in driving innovative solutions and enhancing the Company's market position. His vision and leadership ensure the continued success and advancement of the Company in a competitive landscape.

With extensive expertise in finance and human resources, Mr. Ravi Kumar plays a critical role in steering the Company's financial strategies and HR policies. His adept leadership in handling the supply chain management department has contributed to optimising our operational efficiencies and supply chain processes.

**Qualifications**

Dr. Chava holds both bachelor's and Master's degrees in Science from Andhra University. He furthered his studies as a research scholar at the College of Science and Technology, Andhra University, from 1985 to 1992, culminating in earning his Ph.D. in 1992. He has also completed an Executive MBA (PGPMAX) at the Indian School of Business (ISB), Hyderabad, in 2012.

Mr. Ravi Kumar holds a Master of Commerce (M. Com) degree and is a certified Cost & Management Accountant (ICMA).

**Current external appointments**

- Laurus Bio Private Limited
- ImmunoAdaptive Cell Therapy Private Limited
- KRKA Pharma Private Limited
- Chemiasoft Private Limited

- Laurus Bio Private Limited
- KRKA Pharma Private Limited

**Dr. C.V. Lakshmana Rao**  
 Executive Director – Quality

Dr. C.V. Lakshmana Rao joined the Company in February 2007 and has been a guiding force ever since.

Dr. Rao brings a vast reservoir of knowledge with over 23 years of experience in quality control, quality assurance, and regulatory affairs. As the head of the Quality function, he oversees the stringent standards that define our products and services. His leadership has led to the formulation and execution of the core strategy of the Company.

Dr. Rao holds a Master’s degree in Science and a Ph.D. from Andhra University. His academic background lays a solid foundation for his expertise and authority in the field of quality management and regulatory compliance.

**Mr. Krishna Chaitanya Chava**  
 Executive Director – Synthesis

Mr. Krishna Chaitanya has been associated with the Company since 2017 and was appointed as Executive Director on April 25, 2024.

Mr. Krishna Chaitanya Chava serves as the Head of the Synthesis division at the Company. With a rich background in strategy, skill enhancement workshops, and marketing, he brings invaluable expertise to the Indian pharmaceutical landscape. His leadership is characterised by a keen insight into market dynamics and innovation.

Mr. Chava is an accomplished academic, holding a prestigious PGP MFAB from the Indian School of Business, Hyderabad. He earned his Master’s degree in mechanical engineering from North Carolina State University, USA, and completed his undergraduate studies in Mechanical Engineering at BITS Pilani, Dubai. His educational background equips him with a unique blend of technical proficiency and strategic acumen.

**Ms. Soumya Chava**  
 Executive Director – Generics

Ms. Soumya Chava has been serving as Director since 2021 at Laurus Synthesis Private Limited, a wholly owned subsidiary of Laurus Labs. She was appointed as Head - Commercial in Laurus Labs in July 2023 and then as Executive Director of Laurus Labs on April 25, 2024.

Ms. Soumya Chava brings over twelve years of experience in the pharmaceutical industry. She began her career in clinical trial management at Quintiles Transnational and Laurus Infosystems, before channeling her entrepreneurial spirit into founding Theia Jewellery, a boutique children’s jewelry brand. This venture sharpened her skills in marketing and business operations. She currently leads CSR initiatives at Laurus Charitable Trust as Head of CSR.

Ms. Chava holds a Bachelor of Pharmacy degree from Osmania University (2007), a master’s in clinical research and business administration from Campbell University, NC, USA (2007- 2010), and a Postgraduate Diploma in Patents Law from Nalsar University of Law, Hyderabad (2011). This ensures deep expertise across both scientific and managerial domains.

**Sriam Labs Private Limited**

- Laurus Synthesis Private Limited (LSPL)
- Sriam Labs Private Limited
- Chemiasoft Pvt Ltd
- Laurus Specialty Chemicals Pvt Ltd.

- Theia Jewellery Private Limited
- Laurus Synthesis Private Limited (LSPL)
- Laurus Specialty Chemicals Pvt Ltd.

## Materiality Assessment

To identify the ESG topics that are most significant to our operations and stakeholders, we actively involve our stakeholders in a comprehensive materiality assessment process. We revisit and update our materiality assessments biennially to ensure relevance and responsiveness. Our thorough approach guarantees extensive stakeholder involvement – covering both internal and external parties – to spotlight priority ESG topics critical to us.

Material Topics	ESG Category	Topic priority	Linkage with report
Regulatory compliance	Governance	High	Governance, ethics and compliance
Product quality and safety	Social Governance	High	Manufactured capital
Occupational health and safety	Social	High	Human capital
Protecting intellectual property rights	Governance	High	Intellectual capital
Cybersecurity and data privacy	Governance	High	Governance, ethics and compliance
Ethical governance	Governance	High	Governance, ethics and compliance
Risk management	Governance	High	Managing risks - An integrated approach
Employee well-being and satisfaction	Social	High	Human capital
Talent attraction and retention	Social	High	Human capital
Learning and development/skilling	Social	High	Human capital

# Materiality Assessment

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Material Topics	Topic priority
Risk	Regulatory compliance is vital for us to maintain product quality, adhere to legal requirements, build reputation and trust, access markets, protect intellectual property, conduct ethical research and ensure a secure and compliant supply chain.
Risk	Issues related to quality and safety of our products may impact our brand reputation, ability to differentiate from competitors and create value for our stakeholders.
Risk	The health and safety of employees are of paramount importance to us; hence it is our responsibility to provide them a safe and healthy workplace. Health and safety hazards pose regulatory, reputational, and business continuity risks.
Risk	It helps us encourage innovation, safeguard market exclusivity, prevent unauthorised use and copying, maintain competitive advantage and fosters collaboration.
Risk	Implementing robust cybersecurity measures is essential to mitigate risks, reduce vulnerabilities and safeguard our digital assets and operations.
Risk	Ethical governance is vital for us as it ensures compliance with regulations, builds stakeholder trust and reputation, and access to medications, avoids conflicts of interest, upholds ethical supply chain practices and contributes to long-term sustainability.
Risk	It is crucial for us to identify and mitigate our risks to protect our reputation and brand, maintain business continuity and ensure financial stability.
Opportunity	Employees form backbone of our operations and to drive their productivity and boost retention, and talent acquisition, it is crucial that we take care of them.
Opportunity	It is essential for us to bring in fresh talent and at the same time retain our valuable employees to foster innovation and creativity in the Company.
Opportunity	Enhancing skills and competencies of our employees helps us in enhanced performance and productivity.

Material Topics	ESG Category	Topic priority	Linkage with report
Access and affordability	Social	High	Social and relationship capital
Responsible supply chain management	Social	High	Social and relationship capital
Innovation management	Social	High	Intellectual capital
Ethical sales and responsible marketing	Governance	High	Social and relationship capital
Digitisation	Governance	Medium	Intellectual capital
Toxic emissions	Environment	Medium	Natural capital
Climate risks and resilience	Environment	Medium	Natural capital
Climate and environment management	Environment	Medium	Natural capital
Human rights	Social	Medium	Human capital
Green chemistry	Environment	Medium	Natural capital
Community engagement	Social	Medium	Social and relationship capital
Antimicrobial resistance	Environment	Medium	Natural capital
Biodiversity management	Environment	Low	Natural capital
Diversity and Inclusion	Social	Low	Natural capital

Opportunity or risk	Rationale for identifying Opportunity or risk the risk/opportunity
Opportunity	Better access and affordability are crucial as it results in improved health outcomes, equity in healthcare access and the overall well-being of countries that cannot afford medicines.
Risk	It is essential for us to identify and mitigate risks related to our supply chain such as disruptions in raw material supply, supplier reliability, or environmental sustainability.
Opportunity	Innovation is a crucial aspect for us to maintain our competitive advantage and encourage collaboration and partnerships.
Risk	Given the nature of the industry we are in, it becomes essential that we adhere to responsible and ethical marketing of our products to protect against their misuse or off-label promotion.
Opportunity	With the rapid technological advancements, it is imperative that we bring these solutions in our operations to enhance our efficiency, reduce costs and support the development of innovative solutions.
Risk	Managing our emissions into the environment is crucial for us to not only comply with the regulation but remain true to our environmental stewardship commitments.
Risk	Climate risks pose serious financial and reputational risk to Laurus Labs in the coming future. It is therefore essential that we ensure that we pay attention to develop timely mitigation strategies.
Risk	To reduce our environmental impacts and deal with the associated business continuity and human safety risks, it is important that an adequate climate and environment management system is in place.
Risk	It is our ethical responsibility to respect the human rights of every stakeholder associated with us.
Opportunity	By adopting green chemistry principles, we can significantly contribute to environmental protection by reducing our air and water pollution, conserving resources, and minimising our carbon footprint.
Opportunity	Community engagement allows us to build trust and create shared value for the communities in which we operate.
Risk	AMR poses a significant business risk to us as it may reduce the effectiveness of our products and increase the need for new drug development.
Opportunity	Sustainable use of biodiversity becomes important for us as many of our ingredients are derived from these.
Opportunity	Diversity is an important aspect for a business as it drives innovation and creativity and enhances decision-making.

## Laurus labs progressed in FY 25

Laurus Labs vision is intricately aligned with the United Nations Sustainable Development Goals (SDGs). Through a transparent and rigorous process, we identify and prioritize the SDGs that are most relevant to our business operations. This alignment not only underscores our commitment to sustainability but also drives our strategic initiatives to create lasting, positive impacts on both the environment and society.

SDG Alignment		
	Name	Laurus Labs Comittment
	Good health and wellbeing	<ul style="list-style-type: none"> <li>Company has set target of zero lost time incident</li> </ul>
	Gender Equality	<ul style="list-style-type: none"> <li>10% female representation in the Employees by FY 2030</li> </ul>
	Decent work and economic growth	<ul style="list-style-type: none"> <li>Zero sexual harassment complaint</li> </ul>
	Responsible consumption and production	<ul style="list-style-type: none"> <li>Striving for Zero Waste to Landfill – 80% of hazardous wastes routed to recycling and coprocessing at all operational sites by FY2030</li> </ul>
	Climate action	<ul style="list-style-type: none"> <li>Reduce absolute scope 1 and 2 GHG emissions 42.0% by FY2031 from a FY 2025 base year. 8% reduction in electrical energy consumption intensity</li> <li>Reduce scope 3 GHG emissions 51.6% per INR value added by FY 2031 from a FY 2025 base year.</li> <li>Conduct a Life Cycle Assessment (LCA)/ Product Carbon Footprint (PCF) evaluation for the top 10 products by the end of FY 2030.</li> </ul>

## Communities

As a responsible corporate entity, we recognise that our growth and sustainability are linked to the well-being of the communities where we operate in. We deeply value fostering positive, productive relationships with community members who directly shape and enhance our business environment. Our approach is focused on making a meaningful contribution to societal progress.



**₹16.62** crores  
CSR spend

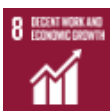
### Material issues

- Community engagement
- Access and affordability
- Biodiversity management

### Key risks

- EHS risk
- Regulatory risk

### SDGs impacted





Our corporate social responsibility (CSR) strategy, guided by the CSR Committee in line with Section 135 of the Companies Act, 2013, shapes our commitment to positively impacting the community. We focus on key areas such as education, healthcare, environmental sustainability, and sports development, ensuring that our efforts lead to meaningful improvements in the lives of those we serve.

In partnership with the Laurus Charitable Trust, along with implementation partners, local NGOs, and community leaders, we ensure our initiatives are aligned with the real needs of the community. This continuous dialogue allows us to remain responsive and effective, ensuring that our contributions create lasting value for all stakeholders.

## Communities



### Healthcare and Hunger Eradication

Ensuring access to quality healthcare and nutritional support continues to be one of our foremost priorities. During the year, we expanded our outreach through projects aimed at both preventive and critical care.

We supported the installation of a RO plant in Gaddapotharam Village, ensuring safe drinking water for the local community. In our efforts to combat hunger and malnutrition, we partnered with the Hare Krishna Movement India, contributing to their food distribution programme.

Further, we extended direct support to individuals requiring urgent medical assistance. This included financial assistance for CAR T Cell therapy, a life-saving treatment for cancer, and critical surgeries for children and adults through organisations such as the Pure Little Hearts Foundation, Hrudaya Foundation, and Bal Arogya Samvardhan.



### Promoting Education and Skill Development

Education remains a cornerstone of our CSR strategy, not only as a means of individual empowerment but also as a catalyst for long-term societal change. We implemented a number of initiatives during the year to strengthen educational infrastructure and promote vocational skills.

Our infrastructure development projects included the modification of school facilities in Moguluru, Munnaluru, and Kotturu villages, aimed at improving the learning environment for rural students. We also supported the Abhaya Foundation's "Super 60" programme, which mentors high-potential students from underprivileged backgrounds.

A significant milestone in our education efforts was the establishment of the Laurus Skill Development Centre, which has become a hub for skilling youth, especially from marginalised communities. With a focus on employment-oriented training, the centre aims to equip young individuals with industry-relevant capabilities and open pathways to sustainable livelihoods.

### Preserving heritage and culture

Recognising the importance of India's rich and diverse cultural heritage, we extended support to cultural preservation and promotion initiatives. During the year, we partnered with the Pandit Jasraj Cultural Foundation and the Sangitanjaly Foundation to host music festivals that celebrate traditional art forms.

Additionally, we contributed to the Tribal Cultural Festival organised by the Government of Andhra Pradesh in Araku Valley, which showcased tribal heritage and fostered inclusion through cultural exchange.



## Promoting environmental sustainability

Our environmental initiatives are rooted in the belief that sustainable development is only possible through responsible stewardship of natural resources. This year, we undertook targeted efforts in the areas of conservation, afforestation, and biodiversity.

We supported the Shri Kalpavruksha Kamadhenu Welfare Trust for environment-centric community activities and contributed to the maintenance of TTD Gardens, which play an important role in preserving native flora and enhancing urban green cover. These efforts, while small in scale, are steps toward creating resilient ecosystems and promoting ecological awareness.



## Contributing to rural development

Rural development forms the backbone of our community outreach efforts. This year, we undertook several infrastructure projects aimed at improving the quality of life in rural areas.

Our efforts included the construction of concrete drains, roads, and toilet blocks in Munnaluru and Moguluru villages, addressing critical gaps in sanitation and connectivity. We also supported the procurement of garbage collection vehicles, contributing to cleaner village environments. Through small but strategic partnerships, such as with SCT, we aimed to amplify our rural development. Supporting



## Encouraging excellence in sports

We believe in supporting talent at the grassroots and national levels, especially in sports that often lack institutional backing. Our CSR efforts in this area focused on promoting rural and nationally recognised sports.

During the year, we extended financial support to young and promising athletes, including Master Praneeth Vuppala, a chess prodigy, and Sneha Singh, a golf player. We also provided aid to athletes participating in national level weightlifting championships, helping them cover essential expenses.



## Supporting for disaster management

In times of emergency, we strive to be a dependable partner in relief and rehabilitation. As part of our disaster management commitment, we contributed to Smart Andhra Pradesh Foundation to support their ongoing disaster relief and community rehabilitation efforts. This contribution helped deliver timely assistance to affected populations and enabled capacity-building for future resilience.

## About the Board

At the core of the Company lies a robust governance approach – the linchpin of our transparent, accountable, and ethical operations. This approach ensures adherence to regulatory mandates while safeguarding the interests of all stakeholders and minimising risks to navigate the path of sustainable growth.

### Board composition and leadership

Our Board of Directors combine Executive, Non-Executive, and Independent Directors who contribute their deep expertise and insight. The Chairman, serving as both a Non-Executive and Independent Director, leads with forward-thinking vision and fairness. The Board members, who have served notable tenures, are key to guiding Laurus Labs towards achieving our objectives, promoting a culture of honesty and long-term growth.

### Board industry experience

Parameter	UoM	FY 2025
*Number of independent or non- executive members with industry experience	Number	10

### Compensation attributes

Parameter	UoM	FY 2025
CEO variable compensation metrics	Descriptive	Financials and Non-Financials Achievements on Goals
Ratio of compensation	Ratio	287:1

### Ownership structure

Parameter	UoM	FY 2025
CEO share ownership	No. of shares owned	125,696,740
Family ownership (Individuals owning more than 5% of the voting rights)	No. and % of shares owned	23.02%
Government voting rights	Descriptive	Refer the integrated annual report

## Code of Conduct

Our Code encapsulates our core values and principles, guiding the behavior of all individuals associated with Company, including employees, officers, and our Board of Directors. It upholds integrity and ethical standards, serving as a roadmap for sound decision-making, reinforced through comprehensive training and regular sessions. The Code directs us in how we conduct ourselves, treat each other, care for our patients, engage with our communities, and ensure our business remains compliant and sustainable. We continuously strengthen our Compliance framework through interventions and improvements, ensuring value creation for all stakeholders.

Our group-wide code of conduct, and it covers the following aspects –

- |                                   |  |
|-----------------------------------|--|
| 1. Corruption and Bribery         | 5. Antitrust/anti-competitive practices            |
| 2. Discrimination                 | 6. Money-laundering and/or insider trading/dealing |
| 3. Confidentiality of information | 7. Environment, health and safety                  |
| 4. Conflicts of interest          | 8. Whistleblowing                                  |



### Codes of Conduct: Systems/ Procedures

Our company has meticulously outlined specific roles, responsibilities, and reporting structures across all divisions and subsidiaries to ensure seamless operations and adherence to our Code of Conduct (CoC). Each department has appointed officers dedicated to overseeing compliance with the CoC and escalating any issues to senior management. These responsibilities are regularly reviewed and updated to maintain their effectiveness and alignment with our company objectives. To support this structure, we have established \_\_\_ on ethical issues and CoC- related matters, ensuring that all stakeholders can report concerns or seek guidance confidentially and easily. Furthermore, compliance with the CoC is closely linked to employee remuneration, and our performance appraisal systems are integrated with compliance metrics to ensure that adherence to our ethical guidelines is a key component of employee evaluations

Coverage of topics under the Laurus Labs Code also extends to Privacy of Personal Information, Records and Information Management, Marketing Integrity, Patient Safety, Equal Employment Opportunity, Honest and Ethical Conduct, Accuracy and Integrity of Books, Records, and Accounts, Protection of Company Assets, Communications, Marketing Integrity, Patient Safety, Product Quality, and Safety, Interaction with Health Care Professionals and Health Care Entities, Interaction with Government Officials, Insider Trading, etc.

## Code of Conduct Breaches

Parameter	UoM	FY 2025
Corruption or Bribery	Number	0
Discrimination or Harassment (Sexual)	Number	0
Customer PrivacyData	Number	0
Conflict of Interest	Number	0
Money Laundering / Insider Trading	Number	0

## Compliance to Regulatory Standards

Parameter	UoM	FY 2024	FY 2025
Number of inspections	Number	14	13
Environmental-related regulatory violations.	Number	0	0

## Information and data security

Cybersecurity is crucial to Laurus Labs's operations, safeguarding our sensitive data, ensuring uninterrupted workflows, and preserving the integrity of our company's systems against cyber threats.

An internally accessible information security/cybersecurity policy is in place, complemented by mandatory awareness training for all employees. To enhance this training, Laurus Labs has partnered with a third-party provider, offering comprehensive programs and maintaining records of attendance. A clear escalation process is established for employees to report suspicious activities, ensuring that the latest cybersecurity threats are communicated effectively. Robust measures, including a Standard Operating Procedure (SOP) for incident management, delineate roles and responsibilities for handling incidents. The IT Acceptable Usage Policy (AUP) is a prerequisite for accessing Company's IT systems, detailing the dos and don'ts to safeguard information security. Periodic IT security awareness training is provided to keep employees informed about emerging threats, supported by a well-structured escalation matrix for reporting any suspicions.

Parameter	UoM	FY 2025
Total number of information security breaches	Number	0
Total number of clients,customers and employees affectedby the breaches	Number	0

## Supply chain management

Parameter	UoM	FY 2025
Tier 1 suppliers	Number	842
Significant suppliers in Tier 1	Number	86
% of total spent on significant suppliers in Tier 1	Percentage	65
Significant suppliers in non-tier 1	Number	-
Total number of significant suppliers (Tier 1 and non-tier 1)	Number	86
Total number of suppliers assessed via desk/ on site assessment	Number	86
% of unique significant suppliers assessed	Percentage	100
Total number of suppliers assessed with substantial actual/potential negative impacts	Number	0
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	Percentage	0
Total number of suppliers with substantial actual/potential negative impacts that were Terminated	Number	0
Total number of suppliers in capacity building Programs	Number	6
% of significant suppliers in capacity building Programs	Percentage	100

## Risk Management

### Risk Governance

Company's Risk Management Committee formulates a detailed to identify internal and external and mitigate risks, including financial, operational, business and strategic risks among others. It ensures methodologies and systems are in place to monitor and control these risks and oversees policy implementation, keeping the Board informed.



## Risk Management

The policy is reviewed every two years to adapt to industry changes.

1. Operational Risk Ownership is undertaken by front-line employees and dedicated roles like risk managers, business unit heads, ensuring risks are managed at the operational level.
2. Risk Management and Compliance is overseen by senior management and the Risk Management Committee, setting control standards and ensuring compliance.
3. The audit function provides an independent assurance on the effectiveness of risk management and compliance processes.



We have implemented a comprehensive Risk Management framework designed to enhance management's understanding of the risk environment and evaluate potential exposure. At Company, we review our company's risk exposure on a regular basis. Navigating geopolitical instability, supply chain disruptions, climate change, and evolving ESG risks requires adept management. Our risk management framework includes a defined risk appetite embedded in strategic plans, guiding decision-making. The Board, Committees, and Senior Management monitor our risk appetite to maintain appropriate risk tolerance

Key determinants of Company's risk appetite include:

- Shareholder and investor preferences and expectations
- Expected business performance
- Capital requirements for risk-taking
- Company Culture
- Management experience in risk and control management
- Long-term strategic priorities

Remaining risks are documented and discussed with the Committee. We conduct regular reviews to understand market shifts and changes in the external landscape. Key risks are reviewed quarterly to enhance mitigation strategies. Employees in high-risk roles receive regular, role-based training. Our risk management includes regular internal and annual external audits, adhering to statutory requirements. We also integrate risk considerations into developing new products or services

Our risk management system is designed to ensure the creation and implementation of appropriate risk policies and procedures, along with independent monitoring and reporting by internal audit. This system integrates centrally issued policies with procedures developed by individual divisions, enhancing the robustness of risk management. Specific structures are in place to address inherent risks in high-risk business areas. A strong and independent internal audit function performs risk-focused audits across all businesses, identifying areas for improvement. The Audit Committee of the Board reviews internal audit findings, provides strategic guidance on internal controls, and ensures the implementation of audit recommendations. Senior management regularly reviews the risk management framework to keep it up-to-date and effective in a changing business environment.

# Risk management

We operate within a highly regulated pharmaceutical industry, making risk governance essential to maintaining the safety, efficacy, quality, and compliance of our products. The Board of Directors is ultimately responsible for overseeing our risk management strategies and defining the organisation’s risk appetite.

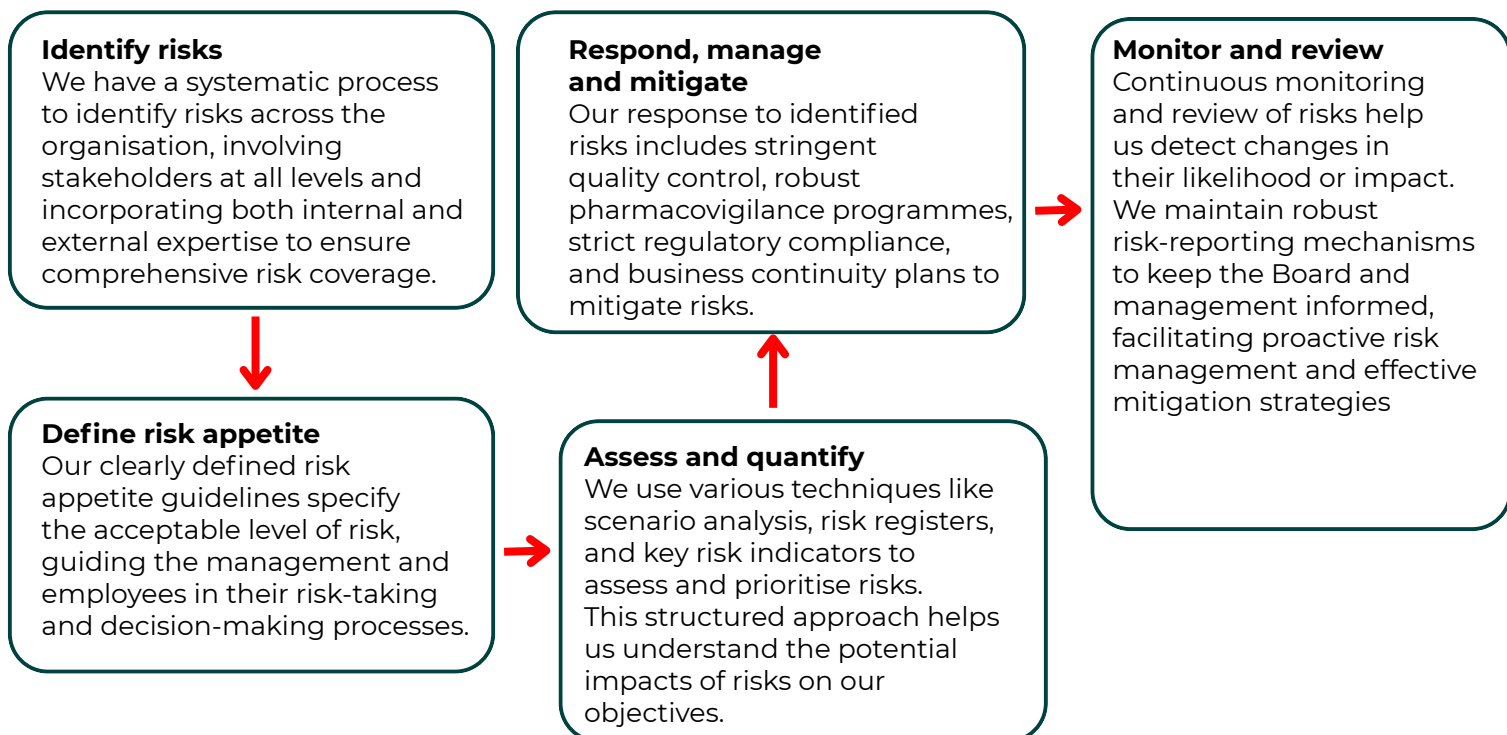
The Risk Management Committee, which includes executive, non-executive, and independent directors oversees, guides, and provides assurance on risk-related issues. This committee develops, monitors, and refines the organisation’s risk management policies and regularly reports back to the Board on its findings and activities.

The Audit Committee assists the Risk Management Committee by ensuring that risk management controls and systems are effective and functioning properly. This is complemented by thorough reviews conducted by our internal audit team and external audit partners who perform structured and periodic assessments of our risk management processes.

## Enterprise risk management framework

Our enterprise risk management framework is structured to identify, assess, manage, and mitigate risks at all organisational levels. It includes a systematic process for risk identification, assessment, and prioritisation, which empowers us to make informed decisions, allocate resources efficiently, and strengthen our overall resilience. This approach is integral to our ability to navigate uncertainties and align with our long-term strategic goals.

## Risk management framework



## Brief overview of risks

### Operational

#### Capacity planning and optimisation risk

Inadequate capacity may compromise our ability to adapt to changing customer demands, potentially impacting our profit margins.

#### Mitigation measure

To safeguard against currency fluctuations, we have implemented a robust currency hedging strategy. We continuously assess and utilise derivatives to manage and mitigate the risks associated with currency exchange rate volatility.

#### Operating risk

Failure to effectively manage vendor-cum-customer relationships could negatively impact our revenue streams.

#### Mitigation measure

We actively implement an action plan to mitigate vendor risks from both geographical and single-source perspectives. Despite challenges in the business environment, we have successfully sustained robust relationships with our vendors and customers. This approach fosters organisational stability and predictability. Additionally, our enduring partnerships with major global and domestic pharmaceutical companies help ensure consistent revenue visibility.

#### Environment, Health and Safety (EHS)

Our business operations are subject to a variety of stringent health, safety, and environmental regulations enforced by governmental and non-governmental organisations worldwide.

#### Mitigation measure

We have intensified our commitment to energy sustainability and the rigorous enforcement of our safety culture programmes, which include specific behavioural requirements. For high-risk sites, we conduct detailed process-safety audits to ensure the safety of our manufacturing processes.

### Operational

#### Foreign exchange rate

Our expenditure and investments are primarily made in Indian currency, while our revenues are diversified across various international currencies. This exposes our net expenses, future investments, and other income to potential vulnerabilities due to fluctuations in exchange rates.

#### Mitigation measure

To safeguard against currency fluctuations, we have implemented a robust currency hedging strategy. We continuously assess and utilise derivatives to manage and mitigate the risks associated with currency exchange rate volatility.

## Strategy

### Industry risk

A downturn in the industry could adversely affect the Company's performance.

### Mitigation measure

The Company maintains a strong presence in major global pharmaceutical markets and conducts regular risk assessments. Additionally, we are developing a business continuity strategy aimed at minimising risks associated with our procurement, production, and distribution processes.

### Competition risk

Intense competition in both domestic and international markets could diminish our market presence.

### Mitigation measure

To counteract this risk, we are expanding economies of scale across manufacturing, distribution, and procurement to maintain a cost advantage. We are also deepening long-term relationships with key customers by delivering superior quality and service. Further measures include implementing cost reduction strategies and improving the efficiency of our manufacturing operations. Additionally, we are investing in R&D to decrease raw material usage and enhance productivity.

### Innovation risk

The absence of niche products and innovative processes could hinder our growth rate.

### Mitigation measure

We leverage our robust R&D capabilities and a proven track record in the development, approval, and commercialisation of niche products and processes. Our expertise in advanced chemistry, process optimisation, and a specialised product portfolio underpins our strong global presence and market leadership.

## Compliance

### Regulatory risk

The pharmaceutical industry is stringently regulated and subject to ongoing oversight by various regulatory authorities. Failure to obtain the necessary manufacturing approvals could disrupt business operations.

### Mitigation measure

We ensure rigorous compliance with regulatory standards and maintain open communication with regulatory bodies. Our regulatory affairs team works to secure all necessary approvals, safeguarding our manufacturing processes and ensuring uninterrupted business operations.

## KPI Index:

S.No	Theme	Description	UOM	FY-23	FY-24	FY-25
1	<b>Environment</b>	Total energy consumption	MWh	8,73,040	9,96,902	10,08,531
2		Total renewable energy consumption	MWh	35,819.06	21583.54	33211.96
3		Percentage of total energy consumption from renewable sources	%	4%	2%	3%
4		Total water consumption	KL	49,000	97,000	1,00,000
5		Total amount of water recycled and reused	KL	21,900	2,84,801	3,41,418
6		Total weight of air pollutants	MT	972.45	1264	1,264
7		Total weight of hazardous waste	MT	29,532	40,700	42,841
8		Total weight of non-hazardous waste	MT	5,950	11,126	10,893
9		Total weight of waste recovered	MT	20,719	29,867	30,906
10		Total gross Scope 1 GHG emissions	t CO2e	18,2215	3,21,270	3,15,457
11		Total gross Scope 2 GHG emissions (market or location based)	t CO2e	159094	1,76,679	1,81,901
12		Total gross Scope 3 GHG emissions	t CO2e	73322	87212	3,12,166.00
13		Total gross Scope 3 Downstream GHG emissions	t CO2e	5,015	3,333	53,195
14		Total gross Scope 3 Upstream GHG emission	t CO2e	68,307	83,879	2,58,971
15		Percentage of employees trained on specific environmental issues	%	100	100	100
16		Percentage of operational sites assessed on specific environmental risks	%	100	100	100
17		Percentage of operational sites with an environmental certification, such as ISO 14001, EMAS, ISO 50001	%	100	100	100
18		Percentage of unused or expired medicines collected for recycling or waste treatment out of total volume of products sold	%	0	0	0
19	<b>Social</b>	Number of hours worked	Hr	1,50,24,000	1,68,64,440	1,76,33,168
20		Number of days lost to work-related injuries, fatalities and ill health	No	0	5	0
21		Number of work-related accidents	No	0	5	0
22		Ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees	%	405	294	287
23		Average hours of training per employee	Hr	9.65	11.53	27.03
24		Percentage of women employed in the whole organization	%	7	8	9

S.No	Theme	Description	UOM	FY-23	FY-24	FY-25	
25		Percentage of women at top management level	%	12	14	20	
26		Percentage of women within the organizations board	%	12	14	20	
27		Average unadjusted gender pay gap	%	21	21	20	
28		Percentage of employees from a minority or vulnerable group in the whole organization	%	0	0	0	
29		Percentage of employees from a minority or vulnerable group at top management level	%	0	0	0	
30		Percentage of operational sites for which an employee health and safety risk assessment has been conducted	%	100	100	100	
31		Percentage of employees covered by formally-elected employee representatives or collective agreements	%	0	0	0	
32		Percentage of employees who received regular performance and career development reviews	%	100	100	100	
33		Percentage of employees who received skills-related training	%	100	100	100	
34		Percentage of employees trained on diversity, equity, and inclusion	%	100	100	100	
35		Percentage of operational sites assessed for human rights impact or risks	%	100	100	100	
36		Percentage of operational sites with a labour and human rights certification, such as ISO 45001	%	100	100	100	
37		Number of identified discrimination or harassment incidents or corrective actions	No	0	0	0	
38		Percentage of direct employees covered by a living wage benchmarking analysis	%	100	100	100	
39		Percentage of direct employees paid below living wage	%	0	0	0	
40		Percentage of all employees paid below living wage, including direct employees and non-employee workers	%	0	0	0	
41		Percentage of average wage gap for direct employees paid below living wage against a living wage benchmark	%	0	0	0	
42		<b>Ethics</b>	Number of reports related to whistleblower procedure	No	0	0	0
43			Number of confirmed corruption incidents	No	0	0	0
44			Number of confirmed information security incidents	No	0	0	0

S.No	Theme	Description	UOM	FY-23	FY-24	FY-25
45		Percentage of employees trained on business ethics	%	100	100	100
46		Percentage of risky trading partners covered by a due diligence process on corruption or information security	%	100	100	100
47		Percentage of all sites assessed or audited internally on a specific business ethics issue	%	100	100	100
48		Percentage of all sites with an ethics certification, such as ISO 27001	%	-	-	100
49		Percentage of all sites with an ethics certification, such as ISO 37001	%	-	-	100
50	SCM	Percentage of targeted suppliers that have signed the sustainable procurement charter or supplier code of conduct	%	100	100	100
51		Percentage of targeted suppliers with contracts that include clauses on environmental, labour, and human rights requirements	%	100	100	100
52		Percentage of targeted suppliers that have gone through a sustainability assessment	%	100	100	100
53		Percentage of targeted suppliers that have gone through a sustainability on-site audit	%	80	67	86
54		Percentage of buyers across all locations who have received training on sustainable procurement	%	100	100	100
55		Percentage or number of audited or assessed suppliers engaged in corrective actions or capacity building	%	-	100	100

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## ▾ Assurance Statement

### Introduction:

Cetizion Verifica Private Ltd, (CV, We) has been entrusted by the management of Laurus labs Ltd. (Lee Pharma, the Company), to conduct independent “Limited” assurance of Sustainability Report, titled: Sustainability report FY 24-25(the Report). All contractual contents for this assurance engagement rest entirely within the responsibility of Laurus labs . Our task was to give a fair and adequate judgment on the Laurus labs ESG Report.

The intended users of this assurance statement are stakeholders having relevance to the Laurus labs overall ESG performance and impacts of its business activities during financial year 2025 (April 2024 ~ March 2025).

Cetizion Verifica is a global service provider of ESG and Corporate Sustainability Services, licensed Assurance provider by AccountAbility AA1000, accredited Aluminium Stewardship Initiative (ASI) audit provider, having qualified professionals in the field of Corporate Sustainability Assurance, Environment, Climate Change, GHG verification, Climate Change, Biodiversity, Human and Labor Rights, Supply Chain Due-diligence and Stakeholder Consultation. We have maintained complete impartiality and independence during the assurance engagement and were not involved in the preparation of report contents.

### Assurance Standard:

The Independent Assurance was carried out in accordance with Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” (“ISAE 3000”) and with the International Standard on Assurance Engagements 3410 “Assurance Engagements on Greenhouse Gas Statements” (“ISAE 3410”). To achieve “Limited” assurance, ISAE 3000 and ISAE 3410 requires that we review the processes, systems and competencies used to compile the subject matter, on which we provide limited assurance. It does not include detailed testing for each of the KPI reported, or of the operating effectiveness of processes and internal controls.

### Scope & Level of Assurance:

#### **Our assurance engagement covers the following:**

- Laurus labs ESG performance and according to disclosure on management approach (DMAs) covering Environment, Social and Governance (ESG) disclosures. The scope and boundary of the report cover corporate functions and manufacturing units which are located in Telagana and Andra Pradesh, India.

## Limitation:

The assurance engagement was carried through virtual meetings, presentations made and focussed group discussions held with Laurus labs employees from corporate functions and three manufacturing facilities. We have not observed any significant situations to limit our assurance activity. The verification was carried out based on the data and information provided by Laurus labs , assuming they are complete and true. We did not verify the reported financial data as same is verified by another third party.

## Assurance Methodology:

Cetizion Verifica has challenged the report contents and assess the process undertaken by Laurus labs from source to aggregate in disclosure of information/data related to their sustainability performance. Our judgment is based on the objective review of reported information as per criteria defined under Assurance standards.

Analytical methods and the performance of interviews as well as verification of data, done as random sampling, to verify and validate the correctness of reported data and contents in light of contractual agreement and the factual Lee Pharma ESG strategy & framework as mentioned in the report and available on company website. Our work included consultation with over 5 numbers of Lee Pharma representatives including ESG team, senior management and responsible employees. The consultations with external stakeholders were not carried out. The approach deemed to be appropriate for the purpose of assurance of the report since all data therein could be verified through original proofs, verified database entries.

The Assurance was performed by our multidisciplinary team of experienced professionals in the field of Corporate Sustainability, Environment, Climate Change, GHG, Human & Labor Rights, Supply Chain Due-diligence and Stakeholder consultation.

We are of the opinion that our work offers a sufficient and substantiated basis to enable us to come to a conclusion mentioned below and based on the content of our contract.

## Cetizion Verifica has verified the below-mentioned

### GRI disclosures given in the Report:

Disclosure	Description
GRI 2-1	Organizational details
GRI 2-1	Entities included in the organization's sustainability reporting
GRI 2-3	Reporting period, frequency and contact point
GRI 3-2	List of material topics
GRI 205: 2016	Anti- Corruption
GRI 205: 2016	Procurement Practices
GRI 302: 2016	Energy
GRI 303: 2018	Water Management
GRI 305: 2016	GHG Emissions
GRI 306: 2020	Waste Management
GRI 306: 2020	Supplier Environment Assessment
GRI 401: 2016	New Employee hires and employee turnover
GRI 403: 2018	Occupation Health & Safety
GRI 403: 2018	Non- Discrimination
GRI 408: 2016	Child Labour
GRI 414: 2016	Supplier Social Assessment

## Conclusion:

Based on our Limited assurance procedures performed and evidence obtained, subject to the limitations mentioned above, nothing has come to our attention that causes us to believe that the selected KPIs for the period financial year 2025 (April 2024 ~ March 2025) has not been prepared, in all material respects, in accordance with the “Basis for Reporting” as appropriate.

The Report includes statements and claims that reflects Lee Pharma achievements and challenges supported by documentary evidence and internal records.

The performance data we found in the report are collected, stored, and analyzed in a systematic and professional manner and were plausible.

Cetizion verifica shall not bear any liability or responsibility to a third party for perception and decision about Lee Pharma based on this Limited Assurance Statement.

### CETIZION Verifica Private Limited



Ganga Charan Sharma  
Digitally signed by Ganga Charan Sharma  
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Mr. Gangaa Charan Sharma

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# End of Sustainability Report

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