



ESG Supplementary Report

FY 2025–26

BUILDING A RESILIENT AND RESPONSIBLE FUTURE

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Governance & Economic Dimension

Transparency

Sustainability Reporting Boundaries (DJSI 1.1.1)

Our ESG Supplementary Report provides a detailed overview of our non-financial performance across our global operations for the period from April 1, 2025, to March 31, 2026. This report specifically covers the ESG performance on consolidated basis with Laurus Labs Limited covering six manufacturing plants, one Laurus Effluent Treatment Plant (Unit 8), one R&D facility, Registered Office, and Corporate Office. While financial performance is presented at the consolidated level, non-financial reporting focuses on our achievements and progress across material environmental, social and governance indicators.

Sustainability Reporting Assurance (DJSI 1.1.2)

Our non-financial performance has been externally assured by NQA Certification Limited (NQA) in line with ISAE 3000 (revised). The Assurance Statement is available at the end of our ESG Supplementary Report FY 2025-26.

Corporate Governance

Board Independence (DJSI 1.2.1)

Each Independent Director, at the time of their appointment and thereafter at the beginning of each financial year, submits a declaration affirming their independence in accordance with the criteria set out in sub-section (6) of Section 149 of the Companies Act, 2013, as well as Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board takes note of these declarations and ensures they are recorded, following a thorough assessment of their veracity. Based on this assessment, the Board confirms that the independent directors meet the prescribed independence criteria under the Companies Act and SEBI regulations and are independent of the management. In addition, each independent director has duly registered their name on the online database maintained by the Indian Institute of Corporate Affairs.

In line with the SEBI Listing Regulations, at least fifty percent of the directors are to be independent. Currently, 50% of our directors are independent and non-executive.

Board Type (DJSI 1.2.2)

Our robust governance practices and operational success are guided by the diverse, one-tier Board of Directors. The table below outlines the composition of our Board.

Type of Members	Number of Members
Executive Directors	5
Independent & Non-Executive Directors	5
Total Board Size	10

Non-Executive Chairperson/ Lead Director (DJSI 1.2.3)

The chairman of the board acts as both Non-Executive and Independent Director. Our diversified and experienced Board brings extensive management experience and industry expertise. The average tenure of board members

is 9.2 years. This collective decision-making process, led by an independent and non-executive Chairman, exemplifies our unwavering commitment to institutionalizing management accountability and augmenting credibility.

Board Diversity Policy (DJSI 1.2.4)

Laurus Labs adheres to a comprehensive Board Diversity Policy, which emphasizes the importance of diversity factors such as gender, race, ethnicity, country of origin, nationality, and cultural background in the board nomination process. This policy ensures that the Board is composed of individuals with diverse perspectives, experiences, and backgrounds, promoting a balanced and inclusive approach to decision-making and governance. For more details, please refer to the attached link.

https://www.lauruslabs.com/images/pdfs/Board_Diversity_Policy_LaurusLabs.pdf

Board Gender Diversity (DJSI 1.2.5)

Out of the 10 members on the Board of Directors, two are female, accounting for 20% of the total board composition.

Board Accountability (DJSI 1.2.6)

- a. Laurus Labs continues to maintain strong governance standards through an engaged and accountable Board. During FY 2025-26, the average attendance of Directors at Board meetings was **98.6% (refer page 136 of annual report)**, reflecting active participation in strategic oversight, risk management, sustainability governance and stakeholder value creation. The Board continues to oversee director independence, performance evaluation, succession planning, risk governance and ESG matters through its established committee structure.
- b. Under the Indian Companies Act, 2013, any **amendment to the company's bylaws (Articles of Association) requires shareholder approval**. Shareholders vote on a one-share-one-vote basis, with options to participate through e-voting made available before or during the **Annual General Meeting or an Extra Ordinary General Meeting, or via the postal ballot process**. The approval threshold must secure a supermajority of 75% plus one vote of the total votes cast on the resolution. **This mechanism ensures that bylaw changes reflect the informed consent of Laurus Labs' shareholders through accessible, formal voting channels.**
- c. As on March 31, 2026, Dr. Ravindranath Kancherla, Mrs. Aruna Rajendra Bhinge, Dr. Rajesh Koshy Chandy, Mr. Karnam Sekar & Mr. Ramesh Subrahmanian are the independent and non-executive directors on Board of Directors of the Company. As per regulations, the board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than 50% of the board of directors shall comprise of non-executive directors. The Company, in line with the corporate governance standards, maintains 50% of the total strength of the Board as Independent Directors including 2 women Independent Directors.
- d. **CEO Succession Plan**

Laurus Labs maintains a clear, **merit-based CEO succession plan** designed to ensure seamless leadership continuity and sustained execution of strategy in both planned and unplanned scenarios. The plan is embedded in the company's corporate governance framework and aligns with Laurus Labs' broader succession processes for the Board and Senior Management. As on March 31, 2026, the Board comprises of fifty percent independent directors, and the Non-Executive Chair is an independent director, underscoring the company's commitment to robust oversight. Laurus Labs is professionally managed,0

with strong functional heads who can independently manage their domains with well-defined delegated authorities, providing resilience during any leadership transition.

The **current CEO and founder, Dr. Satyanarayana Chava (Dr. Satya)**, holds approximately 23.3% of the Company's share capital directly or through his firm wherein he is the managing partner. His employment contract is valid until 31 March 2030 and is eligible for renewal thereafter. Under his leadership, the Company has cultivated an internal talent bench and formalized a succession approach that balances development and readiness with disciplined governance. The **Board of Directors owns all CEO appointment decisions, timing, and approvals**. The **Nomination and Remuneration Committee (NRC) leads the succession process**, setting selection criteria, evaluating and benchmarking candidates, maintaining the succession slate, and recommending interim and permanent CEO appointments to the Board. The CEO partners closely with the NRC to develop the leadership pipeline, while Human Resources and the Company Secretary coordinate assessments, development plans, documentation, and regulatory compliance, ensuring confidential and fair record-keeping.

Laurus Labs prioritizes internal strength in its successor pipeline, while maintaining external benchmarking as a contingency to ensure strategic fit. The Board has recognized both Executive Directors, **Mr. Krishna Chaitanya Chava and Ms. Soumya Chava, as potential successors** who may, at an appropriate time, assume the CEO role, subject to merit-based evaluation by the NRC and the Board. Mr. Krishna, aged 35, has worked across multiple functions for eight years and was elevated to the Board as Executive Director in April 2024. He currently leads the overall CDMO business, a key growth platform for the company's future. Ms. Soumya, aged 39, joined Laurus Labs two years ago and was elevated to the Board as Executive Director in April 2024. She leads Supply Chain Management and the Generics business. Both are undergoing executive coaching and participating in broader executive learning to strengthen transition readiness, complemented by targeted experiences in strategy, finance, governance, and leadership.

Selection criteria are consistently applied to all candidates including family members to uphold diversity, fairness, and the NRC's governance standards. The criteria emphasize proven strategic leadership and execution; sound governance, ethics, and risk discipline; credibility with customers, investors, regulators, partners, and employees; operational excellence across a regulated footprint; talent development and culture stewardship; and clear, effective communication. Evidence is drawn from annual performance evaluations, 360-degree feedback, skills-gap analyses, measurable outcomes in assigned businesses, and engagement in Board, Board Committees and investor interactions.

Readiness is defined across practical time horizons to guide development and appointment decisions. Immediate readiness refers to interim capability to step into the CEO role in an emergency, supported by defined structures and delegated authorities. **Near-term readiness anticipates permanent CEO consideration within 12 to 24 months**, subject to milestones set by the NRC. **Medium-term readiness targets 24 to 36 months**, with specific experiences to be completed before consideration. The NRC sets annual readiness objectives for named candidates and reviews progress quarterly; these objectives are embedded in the Executive Directors' performance plans to ensure accountability and momentum.

Development pathways are structured to build the breadth and depth required for the CEO role. Candidates rotate through roles with P&L exposure across CDMO, Generics, SCM, Quality, Manufacturing, and Corporate functions; participate in Board, Board Committees where appropriate; engage regularly with investors; and assume oversight of risk, resilience, EHS, and compliance forums. Formal executive learning - including coaching for the job development. Ahead of any planned transition, the successor receives CEO mentoring and shadows key leadership activities, co-leading strategic

reviews, risk meetings, and high-stakes customer and partner engagements to ensure a smooth transfer of authority and relationships.

For **planned transitions**, Laurus Labs typically follows a **six- to twelve-months runway**. The NRC confirms readiness and timing, and the Board approves the appointment plan. The successor shadows the CEO and co-leads core forums, while KPIs, compensation, regulatory filings, and delegated authorities are finalized. Initial plan is prepared to align near-term priorities with strategic objectives and risk mitigations. Communication to employees, investors, regulators, customers, partners, and media is coordinated to maintain confidence, followed by the formal transfer of authority on the agreed date.

For **unplanned events such as sudden resignation, incapacity, or death** - the Board Chair may convene an emergency Board meeting at shorter notice to ensure the immediate readiness and to take appropriate decision for uninterrupted discharge of role and responsibilities. Delegated authorities and continuity measures are confirmed across the Executive Committee and functional heads to avert operational disruption. Transparent communication is provided to employees, investors, regulators, customers, and partners. The NRC then conducts an accelerated assessment to appoint a CEO, after which a structured handover is executed and all regulatory filings and disclosures are completed.

Monitoring, documentation, and compliance form a core part of the governance framework. The NRC conducts an annual review of the CEO succession pipeline and associated readiness levels, supported by periodical updates on development progress and performance against established readiness goals. Succession records, assessments, and Board and NRC meeting minutes are maintained in a confidential and equitable manner by HR and the Company Secretary, in line with NRC policy and diversity commitments. The NRC may periodically assess external talent benchmarks to ensure Laurus Labs remains responsive to evolving strategic priorities, global industry practices, and leadership cost considerations. Where internal candidates do not meet required timelines or capability expectations, external candidates may be evaluated and considered using the same merit-based criteria.

This integrated CEO succession plan combines robust governance with a strong internal pipeline development, while safeguarding against unplanned contingencies. It sustains strategic momentum, reinforces the depth of Laurus Labs' leadership bench, and upholds stakeholder confidence so the company can continue delivering on its long-term ambitions under any transition scenario.

- e. The performance evaluation of the Board at Laurus Labs is conducted comprehensively across three key areas: (i) the Board as a whole, (ii) individual directors, including Independent Directors and the Chairperson, and (iii) the various committees of the Board. This process ensures that all aspects of the Board's functioning, decision-making, and governance are thoroughly assessed. In the previous year, no observations or actions remained pending, and the Board is fully satisfied with the processes being followed by the management. The Board remains committed to continuing its strong governance practices, ensuring ongoing effectiveness and alignment with best practices.
- f. At Laurus Labs, there are no contractual limitations on directors' liabilities; directors remain liable as per applicable laws and regulations. To provide financial protection, the Company maintains a **Directors and Officers (D&O) Liability Insurance policy**. This insurance, subject to its terms, conditions, and exclusions and to the extent permitted by law, offers coverage for certain claims and associated costs arising from acts performed in their official capacities. It does not limit statutory liability but helps safeguard directors and the Company against covered risks.
- g. **Board Election Process:** Board members are elected individually (as opposed to being elected by the state). In line with the requirement of the applicable laws, the Nomination and Remuneration Committee, after detailed review, recommends the prospective candidate to the Board for appointment as Director.

Thereafter, the Board considers and approves the same and recommends for approval of the shareholders of the Company. All Independent Directors are appointed in line with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- h. The Board effectiveness process is overseen by the Nomination and Remuneration Committee (NRC), which undertakes an annual evaluation of the Board, its Committees, and individual directors.
- i. All five Independent and Non-Executive Directors hold fewer than four external board mandates, helping ensure adequate time commitment, effective oversight, and adherence to good corporate governance practices.

Board Average Tenure (DJSI 1.2.7)

Our Board Average Tenure is 9.2 years.

Board Industry Experience (DJSI 1.2.8)

As on March 31, 2026, four of our Independent/Non-Executive Directors, Mrs. Aruna Bhinge, Dr. Rajesh Koshy Chandy, Dr. Ravindranath Kancherla, and Mr. Ramesh Subrahmanian possess relevant industry experience as per GICS Level 1 sector classification.

Name of the Director	Pharma industry experience in sourcing, manufacturing, marketing and business development	Accounting, financial, budget and costing expertise	Legal and HR expertise	Expertise in corporate governance	Experience in quality	Formulation of effective strategy	Experience in supply chain management, generics
Dr. Ravindranath Kancherla	✓			✓		✓	
Mr. Ramesh Subrahmanian	✓	✓		✓		✓	
Dr. Rajesh Koshy Chandy ¹	✓	✓		✓		✓	
Mrs. Aruna Bhinge ²	✓	✓	✓	✓		✓	

¹ Retired on completion of his term as an Independent Director on July 26, 2026.

Dr. Satyanarayana Chava	✓	✓	✓	✓	✓	✓	✓
Mr. V.V. Ravi Kumar	✓	✓	✓	✓		✓	
Dr. C.V. Lakshmana Rao	✓			✓	✓	✓	
Mr. Krishna Chaitanya Chava	✓			✓		✓	✓
Ms. Soumya Chava	✓			✓		✓	✓
Mr. Karnam Sekar		✓		✓		✓	

Note: Dr. Shekhar C Mande and Ms. Sutapa Banerjee have been appointed as Independent Director of the Company with effect from July 2, 2026. Their details are not given in the above table, as they have joined after the financial year FY2025-26.

CEO-to-Employee Pay Ratio (DJSI 1.2.11)

The ratio between the total annual compensation of the Chief Executive Officer and the median employee remuneration is **491:1** for FY 2025-26.

Management Ownership (DJSI 1.2.12)

Name and Designation	Salary (INR)	No. of shares held
Dr. Satyanarayana Chava, Executive Director and CEO ¹	14,46,00,000	12,56,96,740
Mr. Venkata Ravi Kumar Vantaram, Executive Director and CFO ²	4,80,00,000	72,05,000
Dr. Chunduru Venkata Lakshmana Rao, Executive Director	3,19,00,000	1,43,10,765
Mr. Krishna Chaitanya Chava, Executive Director	1,73,00,000	20,699
Mrs. Soumya Chava, Executive Director	1,11,00,000	22,940

Position	Name	Multiple of base salary
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¹ No. of shares held by Dr. Satyanarayana Chava includes 12,41,26,740 shares held by M/s NSN Holdings in his name, wherein he is the Managing Partner.

² No. of shares held by Mr. Venkata Ravi Kumar Vantaram includes 62,05,000 shares held by M/s. Leven Holdings in his name, wherein he is the Managing Partner.

Executive Director and Chief Executive Officer	Dr. Satyanarayana Chava	862.19
Executive Directors	Mr. Venkata Ravi Kumar, Dr. Chunduru Venkata Lakshmana, Mr. Krishna Chaitanya Chava, & Mrs. Soumya Chava	149.27

Management Ownership Requirements (DJSI 1.2.13)

In terms of the applicable India laws there is no requirement for the management ownerships. Therefore, the company does not have a specific stock ownership requirement for the CEO and other members of executive committee. However, the promoters are holding 27.49% of the paid-up equity capital of the Company.

Government Ownership (DJSI 1.2.14)

No governmental institution owns more than 5% of the total voting rights of the company. As on March 31, 2026, shares held by Companies or Bodies Corporate where Central / State Government is a promoter is 0% (i.e., 840 shares)

Family Ownership (DJSI 1.2.15)

As on March 31, 2026, shares held by M/s. NSN Holdings (represented by Dr. Satyanarayana Chava) are 22.99% and by Dr. Satyanarayana Chava are 0.29%. Founding individuals or family members individually own 23.28% of the voting rights of the company.

ESG Governance Oversight (DJSI 1.2.16)

Risk Management and ESG Committee of the Board of Directors of the Company act as a nodal committee for ESG governance at Laurus Labs, which monitors the implementation of the Company's ESG strategy, commitments, targets and initiatives. The Committee reviews ESG performance, material risks and opportunities, and progress against defined sustainability priorities, and reports significant matters to the Board. The Board level committee is headed by Chief Executive Officer (CEO). At the Executive Management Level there is Sustainability Team headed by Mr. Srinivasa Rao M, Chief Sustainability Officer (President), responsible for coordinating the Company's ESG agenda and reporting progress to the ESG Committee and the Board.

Materiality

Materiality Analysis (DJSI 1.3.1)

We remain committed to identifying material sustainability issues through robust and continuous stakeholder engagement, incorporating stakeholder perspectives into our strategy and initiatives to support long-term value creation. In line with the principles of double materiality, we undertook a comprehensive assessment involving both internal and external stakeholders to identify key risks and opportunities that impacted our business, society, and the environment. During the reporting year, key topics were re-evaluated internally using the established assessment framework to ensure continued alignment with evolving stakeholder expectations and strategic priorities. The materiality assessment is conducted typically every two to three years, however it is reviewed annually, with identified issues systematically prioritized based on significance and categorized as either risks or opportunities. The outcomes of the latest assessment have been reviewed and approved by Senior Management. To strengthen oversight and implementation, we maintain an ESG risk register that captures material ESG risks and corresponding mitigation measures. The materiality assessment also informs our non-financial disclosures and supports alignment with the requirements of GRI, SASB, and SEBI's BRSR frameworks. The materiality assessment integrated in company's enterprise risk management process

Key Highlights of the Assessment Process

- **Senior leadership reviews and approves** final findings, ensuring strategic alignment and accountability.
- The materiality **assessment is conducted at least biennially**, with interim updates as needed to reflect emerging issues and regulatory changes.
- **Comprehensive stakeholder engagement** incorporates insights from internal teams and external stakeholders throughout the review.
- **A dynamic ESG risk register** identifies, prioritizes, and tracks risks, controls, and mitigation actions across the enterprise.

Further details, including the Materiality Matrix, are available on pages 42-45 of our [Integrated Annual Report FY 2025-26](#).

Material Issues and Metrics for Enterprise Value Creation (DJSI 1.3.2 and 1.3.3)

Material Issue	Product Quality and Safety	Learning and Development / Skilling	Innovation Management
Business Case	Product Quality and Patient Safety are material business issues because they directly influence the Company's regulatory compliance, revenue generation, operating costs, market access, and reputation. Quality failures, adverse patient outcomes, product recalls, or regulatory non-compliance can disrupt manufacturing and product supply, delay approvals, increase remediation and litigation costs, and result in lost sales and customer trust. Such events may also adversely affect the Company's ability to participate in regulated markets and secure future business opportunities. By maintaining robust quality-management systems and a strong quality culture, the Company mitigates these financial and operational risks, improves supply reliability, strengthens regulatory relationships, protects brand value, and supports sustainable business growth and long-term shareholder value.	Learning and Development / Skilling is a material business issue because Laurus operates in highly regulated, science-driven and technology-intensive markets that require a continuously skilled workforce. The Company's success depends on attracting, developing and retaining talent capable of supporting advanced manufacturing technologies, complex CDMO programs, biologics, peptides, fermentation, gene therapies and ADC platforms. Inadequate workforce capabilities may result in reduced productivity, slower adoption of new technologies, compliance risks, quality deviations and higher employee turnover. Conversely, a highly skilled workforce enhances operational efficiency, strengthens innovation, accelerates	Innovation is fundamental to Laurus' long-term growth strategy and revenue generation. The pharmaceutical industry is increasingly driven by complex molecules, advanced modalities and technology-led manufacturing solutions. Continuous investment in R&D, new technology platforms and next-generation therapies enables Laurus to expand its service offerings, attract strategic customers and participate in high-value markets such as CDMO, peptides, gene therapy, ADCs and fermentation. Innovation therefore directly contributes to future revenue growth, customer acquisition and business diversification.

		commercialization of new technologies, improves customer delivery performance and supports long-term revenue growth and business competitiveness.	
Business Impact	Risk	Opportunity	Revenue / Opportunity
Business Strategies	We have established a robust and structured approach to quality across all stages of drug development and manufacturing, supported by a comprehensive Quality Management System that enables regular reviews, continuous monitoring, and ongoing improvement. We maintain strict adherence to Good Manufacturing Practices and ensure process consistency to achieve reliable outcomes. Advanced digital tools are utilized daily to enhance operational efficiency and support informed decision-making. ICDAS provides effective control of stability chambers to ensure product stability, while Minitab facilitates statistical analysis for quality reviews. To strengthen a culture of quality across the organization, employees undergo structured training on quality policies, GMP, and best practices through internal learning platforms and specialized external trainers. This is further reinforced through SOP-based training modules and mandatory assessments that help validate competency and promote continuous learning and development. Recognizing the need for scalable, compliant manufacturing, we commissioned a second GMP facility in Navi Mumbai spanning	We have established a structured talent and capability development framework designed to build technical expertise, leadership capabilities and future-ready skills across the organization. The Company delivers targeted learning interventions through programs such as MANTHAN for middle management development, Gearing Up Leaders for Tomorrow (GUT) for leadership succession planning, and capability-building initiatives including PIONEER, SYNERGY, Elantree and Prabuddha. These programs combine technical training, behavioural development, leadership effectiveness and cross-functional collaboration. To improve accessibility and learning effectiveness, Laurus launched a dedicated Learning Portal and mobile application that enables employees to access learning content, training schedules and development records through a centralized digital platform. The Company also conducts	Laurus drives innovation through: Sustained investment in R&D infrastructure and scientific talent. Expansion of peptide development and manufacturing capabilities. Growth of biocatalysis and continuous flow chemistry platforms. Development of Gene Therapy and ADC process development laboratories in Hyderabad. Construction of a dedicated Gene Therapy/ADC GMP facility. Strategic investment in Aarvik Therapeutics to access next-generation ADC technologies. Advancement of microbial fermentation and biotechnology capabilities. Support of complex customer projects through integrated

	55,000 sq. ft and designed to provide annual capacity for approximately 2,500 CAR-T treatments. Across all sites, rigorous safety and quality frameworks aligned with international regulatory requirements protect product integrity, streamline compliance with statutory norms, and strengthen our global reputation for reliability.	role-based technical training aligned with evolving technology platforms including peptides, biocatalysis, fermentation, continuous flow chemistry, gene therapy and ADC capabilities. In addition, structured career development reviews are conducted across the workforce to support talent retention, succession planning and long-term capability building. These initiatives strengthen organizational readiness, improve execution excellence and support sustainable business growth.	development and manufacturing solutions.
Target	Maintain Zero Product Recall	Achieve an average of 48 training man-hours per employee annually across the organization.	Increase advanced technology-driven R&D and CDMO project portfolio while strengthening innovation capabilities across biologics, peptides, fermentation, continuous flow chemistry, ADCs, and Gene Therapy Conduct Life Cycle Assessment (LCA) / Product Carbon Footprint (PCF) evaluations for the top 10 products and continue expanding advanced technology platforms supporting differentiated product development.
Target Year	2027	2030	2030

Progress	No qualifying product recalls were reported during FY 2025-26. The Company has consequently maintained a record of zero qualifying product recalls for the last five-year period	111,941 training man-hours delivered during FY2025-26. 100% of employees received career development reviews. Continued deployment of MANTHAN, GUT, PIONEER, SYNERGY, Elantree and Prabuddha development programs. Laurus Learning Portal and mobile application implemented to support continuous workforce development. Workforce expanded to 8,126 employees, supported by ongoing learning and capability-building initiatives.	₹282 crore R&D investment. 1,540 R&D scientists. 68 projects supported during FY25-26. 94 DS/DP launches supported. 50% increase in biocatalysis projects. 42% increase in continuous flow reaction projects. 125+ active CDMO projects. Operationalized Gene Therapy and ADC process development laboratories. Conducted LCAs for 6 products covering 52.19% of product portfolio by volume
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Material Issues and Metrics for External Stakeholders (DJSI 1.3.4 and 1.3.5)

Material Issue	Responsible Supply Chain Management	Product Quality and Safety
Cause of the Impact	Operations and Supply Chain	Operations and Product/Services
External Stakeholders Impacted	Local communities, suppliers, customers, investors, regulators and society	Patients, customers, regulators and healthcare stakeholders
Topic Relevance on External Stakeholders	Laurus Labs depends on a complex global supply chain for the procurement of raw materials, intermediates, packaging materials and logistics services necessary for the manufacture and supply of pharmaceutical products. Environmental, social and governance risks within the supply chain can influence supplier reliability, operational continuity, product availability and stakeholder trust.	Product quality and patient safety are fundamental to maintaining stakeholder trust and ensuring access to safe and effective medicines. Failures in quality systems, product contamination, manufacturing deviations or regulatory non-compliance could affect patients, healthcare professionals, customers and

	Disruptions arising from resource constraints, environmental incidents, non-compliance with regulations, unethical business practices or supplier performance issues may affect suppliers, customers, local communities and investors. Through sustainable sourcing practices, supplier engagement, ESG risk assessments, supplier performance monitoring and responsible procurement processes, Laurus Labs seeks to strengthen supply chain resilience, improve environmental and social performance across the value chain, ensure uninterrupted access to medicines and create long-term value for stakeholders.	regulators through treatment disruptions, adverse health outcomes, product recalls and supply shortages. Such incidents may also erode stakeholder confidence and impact future access to regulated markets. To mitigate these risks, the Company maintains a comprehensive Quality Management System, applies a "One Quality Standard for All Markets" approach, conducts regular quality audits and inspections, utilizes digital quality-monitoring tools and delivers ongoing GMP and compliance training to employees. These measures help ensure product reliability, patient safety and regulatory compliance across global markets.
Type of Impact	Positive and Negative	Negative
Output Metric	Suppliers assessed for ESG risks	100% compliance with product quality norms
Impact Valuation	Resilience and responsible sourcing.	Improved health and wellbeing
Impact Metric	Supplier ESG compliance and audit scores	Number of Product Recalls

Risk and Crisis Management

Risk Governance (DJSI 1.4.1)

In today's dynamic business environment, new uncertainties continue to emerge that challenge conventional practices. To effectively manage these changes and maintain strategic direction, the Company has established an integrated risk management framework that extends across all activities and control processes, aligning the organization towards shared objectives. We adopt the three lines of defense framework to support comprehensive risk governance. While the Board of Directors provides overall oversight, the Risk Management Committee (RMC) of the Board is responsible for overseeing risk management and internal control systems. The RMC reviews and approves the risk portfolio, defines the Company's risk appetite while considering global impacts and interdependencies, and meets twice annually to evaluate management actions, ensuring our risk response remains proactive, informed, and effective.

- **First Line of Defense**

The first line of defense consists of departments and functions with designated Risk Owners who are responsible for implementing and embedding risk management initiatives established and delegated by

the second line. Functional units and their leaders are directly responsible for identifying, assessing, and mitigating risks as part of routine operations, with clearly defined roles and responsibilities to support consistent and proactive risk management. Overall accountability for risk management within each function rests with the Function Heads, who formally review and approve departmental or unit risk registers to ensure risks are appropriately documented and managed. Individual risks are assigned to designated Risk Owners to maintain clear accountability and traceability. Functional Heads are responsible for identifying new and emerging risks, implementing suitable controls in coordination with the second line of defense, and periodically reviewing the effectiveness and progress of mitigation measures. They collaborate closely with Risk Owners to monitor Key Risk Indicators (KRIs) and serve as the first level of approval for risks that require escalation. Risk Owners oversee risks within their respective operational areas on an ongoing basis, evaluating exposures, implementing mitigation actions, ensuring the effectiveness of controls, monitoring KRIs, and reporting any control deficiencies or breaches of risk thresholds to both the Functional Head and the second line of defense, together with recommended corrective actions.

- **Second line of Defense**

The second line of defense comprises designated members of senior management (excluding the CEO) who establish control standards, oversee compliance, and provide regular reporting to the Risk Management Committee. Through the Risk Management Committee, the Board of Directors oversees the development of the enterprise risk management framework, determines the appropriate consolidation or decentralization of risk registers, defines methodologies for risk identification and assessment, and ensures clear accountability across all categories of risk. The Board also supports the definition of risk appetite, facilitates the monitoring of Key Risk Indicators (KRIs), and promotes the integration of risk management with internal controls, business continuity planning, and organizational awareness initiatives. Collectively, the first and second lines of defense establish the framework, provide guidance, and oversee risk management activities.

- **Third Line of Defense**

The third-party Internal Auditor functions independently of the first and second lines of defense and serves as the third line of defense, providing independent and objective assurance to the Audit Committee and the Board of Directors regarding the effectiveness of the Company's internal control framework. Supported by this robust risk governance structure, the Company has established a comprehensive audit process to evaluate the effectiveness of its risk management practices and drive their continual improvement.

Risk Management Processes (DJSI 1.4.2)

Risk Review

Laurus Labs applies a dual top-down and bottom-up Enterprise Risk Management approach. The **Risk Office engages business and ESH teams and risk owners to identify, contextualize, and monitor risks**, including sustainability, while leadership groups them into Legal, Business, Operational, and technical categories. We use a standardized five-point scale (impact, likelihood, velocity) to assess and prioritize exposure.

Two key risks and mitigations are as follows:

Risk	Description and potential impact	Mitigation measures
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Environment, Health and Safety (EHS)	Stringent global requirements expose the Company to operational disruptions, penalties, and reputational risks if instances of non-compliance occur.	Strengthened safety culture through clearly defined behavioral expectations; focused energy and sustainability initiatives; comprehensive process safety audits conducted at high-risk sites; and ongoing enhancement of EHS systems and practices.
Innovation risk	An insufficient pipeline of niche products and innovative processes could constrain growth and impact on our market position.	Sustained investment in strong R&D capabilities; application of advanced chemistry and process optimization; continued focus on specialized product portfolios; and a proven track record in the development, approval, and commercialization of niche offerings.

Risk Exposure

We review risk exposure **at least twice a year** or more frequently. This includes an annual enterprise-wide risk assessment; quarterly risk meetings to monitor progress; bi-annual updates with a revised risk register to the Board-level Risk Management Committee; and a biennial double materiality exercise assessing financial and impact materiality. Ongoing scenario planning and sensitivity analyses strengthen readiness, and the risk register is refined continually to reflect evolving materiality insights.

Risk Management Process Audit

Our risk management processes are regularly audited internally and externally, including audits conducted in the last two years, to ensure effectiveness, compliance, and continuous improvement. Audit findings inform updates to methodologies, controls, and the risk register, reinforcing alignment with Laurus Labs' risk appetite and governance standards.

Risk Culture

Laurus Labs promotes an effective risk-aware culture through **focused training across the organization and regular risk management update** for all non-executive directors as part of familiarization programme and director briefings). **Employees receive role-based training and refresher risk management principles** to strengthen day-to-day decision-making. **Risk criteria are integrated** into product and process development through safety reviews and process safety assessments, including HAZOP studies, Exposure Risk Assessments, and process adequacy evaluations, all guided by comprehensive ESH Risk Management SOPs. An open-door policy promotes transparent communication across the organization, while Safety Champions are empowered to proactively address safety concerns. In addition, our collaboration with the British Safety Council continues to strengthen behavior-based safety practices. Risk-related goals and mitigation **outcomes are integrated into performance evaluations, and compensation includes risk management metrics, ensuring executives and employees are incentivized** to meet risk commitments.

Risk Management Framework

- Identify risks - We follow a structured process to identify risks across the organization, engaging stakeholders at various levels and leveraging both internal and external expertise to ensure comprehensive risk coverage.

- Define risk appetite - Our well-defined risk appetite framework outlines the level of risk that the Company is willing to accept, guiding management and employees in informed decision-making and risk-taking activities.
- Assess and quantify - We utilize a range of tools and methodologies, including scenario analysis, risk registers, and Key Risk Indicators (KRIs), to assess, prioritize, and quantify risks. This systematic approach enables a better understanding of the potential impact of risks on our business objectives.
- Respond, manage and mitigate - Our approach to managing identified risks includes rigorous quality control measures, robust pharmacovigilance programs, stringent regulatory compliance practices, and business continuity planning to effectively mitigate potential risks.
- Monitor and review - Continuous monitoring and periodic review of risks enable us to identify changes in risk likelihood and impact. We maintain robust risk reporting mechanisms to keep the Board and management informed, supporting proactive risk management and timely implementation of mitigation measures.

A detailed study of our Risk Management is provided on pages 50-53 of our [Annual Report FY2025-26](#)

Emerging Risks (DJSI 1.4.3)

At Laurus Labs, we identify and review long-horizon emerging risks at least every three years under our risk governance framework, complemented by continuous environmental scanning by risk owners and the Risk Office. Two themes stand out today.

➤ **Geopolitical risk**

- **Description and Impact:** Laurus Labs operates within a global supply chain and is exposed to geopolitical developments, trade restrictions, regulatory changes, transportation disruptions, and broader macroeconomic uncertainties. Such events may affect the availability of raw materials, intermediates, equipment, and logistics services, leading to increased procurement and transportation costs, extended lead times, supply chain disruptions, and evolving compliance requirements. These factors may impact operational efficiency, customer service levels, and overall business performance if not managed proactively.
- **Mitigation:** Laurus Labs monitors geopolitical, regulatory, and supply chain developments on an ongoing basis and incorporates relevant insights into its risk management and business continuity processes. To enhance resilience, the Company adopts supplier diversification and multi-sourcing strategies, maintains appropriate inventory buffers for critical materials, and evaluates alternative sourcing and logistics options where necessary. Trade compliance controls, business continuity planning, and regular engagement with suppliers, logistics partners, and customers support timely identification and management of potential disruptions. The Company also periodically reviews operational and financial risk mitigation measures to strengthen supply chain stability and business continuity.

➤ **Rapid evolution and potential misuse of Artificial Intelligence**

- **Description and Impact:** The increasing adoption of digital technologies, automation, and AI-enabled tools may expose Laurus Labs to evolving cybersecurity, data privacy, operational, and regulatory risks. Emerging threats, including AI-enabled cyberattacks, phishing attempts, unauthorized access, and misuse of digital tools, could compromise sensitive business information, intellectual property, and operational systems. Such incidents may disrupt business operations, impact data integrity and system

availability, result in regulatory and compliance challenges, and adversely affect stakeholder trust and reputation. As AI technologies continue to evolve, the Company may also face changing regulatory expectations and governance requirements relating to their responsible use.

- **Mitigation:** Laurus Labs maintains a secure and resilient digital ecosystem supported by an ISO 27001-certified Information Security Management System and a comprehensive Data Privacy Policy. The Company strengthens cybersecurity through network access controls, periodic vulnerability assessments, penetration testing, phishing simulation campaigns, and continuous security monitoring. Data resilience is enhanced through backup and recovery mechanisms, including immutable backup systems, to support business continuity and data integrity. Employee awareness programs are conducted regularly to promote cybersecurity and responsible use of digital tools. As the Company continues to adopt digital and AI-enabled solutions, it monitors emerging risks and regulatory developments and integrates appropriate safeguards into its technology and risk management practices.

Together, these actions position Laurus Labs to anticipate and manage emerging risks while enabling discipline, responsible innovation that supports resilience and long-term value creation.

Business Ethics

UN Global Compact Membership (DJSI 1.5.1)

Laurus Labs is a participant of the UN Global Compact. Please refer UNGC participants list here: [Our Participants | UN Global Compact](#)

Anti-Bribery & Anti-Corruption Policy (DJSI 1.5.3)

Laurus Labs' Anti-Bribery and Anti-Corruption (ABAC) Policy provides a comprehensive framework for promoting ethical business conduct and covers all key elements required for effective governance. It **clearly prohibits bribery and corruption; outlines guidelines for gifts, political contributions, and charitable donations or sponsorships; requires periodic anti-bribery and anti-corruption training for relevant personnel; and defines procedures for reporting, investigating, and addressing potential violations.** The policy further sets out appropriate corrective and disciplinary actions in cases of non-compliance. The **Board of Directors serves as the highest governing body**, and the Executive Management is responsible for its implementation and ongoing adherence across the organization.

The policy applies to all directors, employees, and applicable third parties acting on behalf of Laurus Labs. To promote transparency, pre-approval thresholds and registers are maintained for gifts and hospitality. Compliance is further strengthened through periodic audits, risk-based monitoring activities, and contractual provisions with third parties, while the policy is reviewed regularly to ensure alignment with evolving legal and regulatory requirements.

Our detailed Anti-Bribery and Anti-Corruption (ABAC) Policy is available at <https://www.lauruslabs.com/images/pdfs/Anti-bribery&Anti-corruption-Policy.pdf> for your reference.

Whistleblowing Mechanism (DJSI 1.5.4)

Laurus Labs operates a **Board-endorsed zero-tolerance** Whistleblower (Vigil) Mechanism that gives employees, directors, contract staff, suppliers, and other stakeholders a safe, confidential way to report unethical conduct, illegal activities, or breaches of the Code of Conduct and ABAC Policy. **Oversight by the Audit Committee**, with direct access to its Chair (the Authority Concerned) in exceptional cases. **Reports may be**

submitted confidentially in writing to the Audit Committee at Plot No.103, Road No. 1, Jubilee Hills, Hyderabad – 500 033, or by email to wbed@lauruslabs.com. Anonymous disclosures are accepted and investigated where sufficient information is provided. The Company protects the identity of whistleblowers to the maximum extent possible and enforces strict non-retaliation commitment.

In case of receipt of any whistle blower complaint, the concerned authority may appoint/ authorize an investigator/ group of investigators or department personnel to investigate into such acts. The concerned authority may, depending on the complaint received, outline the detailed procedure and scope for the conduct of such investigation. In appropriate cases, the concerned authority may engage a third-party independent agency to investigate the whistle blower complaint and submit report thereon for necessary action. A third-party independent agency shall be subject to maintaining confidentiality and protection against retaliation.

The **Vigil Mechanism outlines a structured investigation process**, including the receipt and preliminary assessment of concerns, appointment of qualified investigators, collection of evidence and conduct of interviews, provision of an opportunity for the subject to present their views, and recommendations for appropriate corrective or disciplinary actions. Records are retained in accordance with applicable policies and legal requirements. Any member with a conflict of interest is required to recuse themselves from the relevant matter. To foster a strong, speak-up culture, Laurus Labs conducts mandatory induction and periodic refresher training to the concerned persons. Reporting channels are also communicated regularly through internal awareness initiatives. The Vigil Mechanism is **approved by the Board of Directors**, applies across all Group entities to ensure concerns are handled impartially, confidentially, and without fear of retaliation.

Our detailed Whistleblower policy is available at https://www.lauruslabs.com/Investors/PDF/Policies/Whistle_Blower_Policy_26-08-2026.pdf for your reference.

Report on Breaches (DJSI 1.5.5)

During FY 2025-26, Laurus Labs Limited did not record any breaches of its Code of Conduct. No breaches were reported in relation to corruption or bribery, discrimination or harassment, customer privacy or data protection, conflicts of interest, money laundering or insider trading. Accordingly, the number of reported Code of Conduct-related breaches was zero for each of the above categories during the reporting period. No fines or convictions relating to corruption or bribery were incurred or reported during FY 2025-26.

Policy Influence

Contributions and Other Spending (DJSI 1.6.1, 1.6.2)

During the financial year ended March 31, 2026, the company made political contributions amounting to INR 0. There were no such contributions during the previous financial year ending March 31, 2026.

Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Lobbying, interest representation or similar	INR	0	0	0	0
Local, regional or national political campaigns/organizations/candidates	INR	0	0	0	0
Trade associations or tax-exempt groups (e.g. think tanks)	INR	0	0	0	0

Other (e.g., spending related to ballot measures or referendums)	INR	0	0	0	0
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Lobbying and Trade Associations - Climate Alignment (DJSI 1.6.3)

Laurus Labs Limited has established a governance framework to ensure that its indirect public policy engagement through trade associations is consistent with the objectives of the Paris Agreement. During the reporting period, the Company did not undertake direct lobbying activities or engage external lobbyists. Its environmental policy engagement was conducted indirectly through its membership and participation in the Confederation of Indian Industry (CII).

The Company's indirect engagement is overseen by senior management and the **Risk Management and ESG Committee**, and is supported by its ESG Policy, EHSS Policy, climate strategy and SBTi-approved near-term greenhouse gas emissions-reduction targets, established against an FY2024-25 base year. Laurus Labs supports public policies that advance the objectives of the Paris Agreement, including energy efficiency, renewable energy, greenhouse gas emissions reduction, industrial decarbonisation, climate-related disclosure, responsible environmental management and water stewardship.

Laurus Labs periodically reviews its trade association memberships and relevant policy positions to assess their consistency with the Company's environmental commitments, climate strategy and SBTi-approved near-term emissions-reduction targets. Based on the review undertaken during the reporting period, the Company's environmental position was considered broadly consistent with CII's general positions relating to sustainable industrial development, resource efficiency, energy transition and responsible environmental management. During the reporting period, Laurus Labs did not separately seek influence on CII's environmental policy positions.

If a material inconsistency is identified between a trade association's climate-related policy position and the Company's position, the matter will be escalated to senior management and the **Risk Management and ESG Committee**. The Company may engage with the association within a defined timeframe, publicly clarify that it does not support the inconsistent position, support alternative Paris-aligned policy positions or coalitions, and reconsider, suspend or terminate the relevant membership if the inconsistency cannot be resolved.

This framework applies to Laurus Labs' relevant trade association memberships and indirect environmental policy engagement in all jurisdictions where the Company operates. The Company reports on its material trade association memberships, relevant funding and environmental policy engagement through its sustainability and other public disclosures.

Supply Chain Management

Supplier Code of Conduct (DJSI 1.7.1)

Laurus Labs has a publicly available Supplier Code of Conduct covering principles and objectives centered around human rights and labour, environment, business ethics, health & safety, and supporting communities that each supplier/vendor/partner has to abide by and commit to.

Supplier ESG Programs (DJSI 1.7.2)

Laurus Labs has implemented measures to support the effective execution of suppliers' ESG programs. Oversight of these initiatives is provided by the Executive Management team, which reports to Mrs. Soumya Chava, a member of the Board of Directors. The Company encourages suppliers to adopt the [Supplier Code of Conduct](#), which emphasizes ethical business practices and demonstrates commitment to key principles, including the protection of human rights across operations and the value chain. Supplier contracts entered into by Laurus Labs

outline the Company's commitment to sustainable procurement. In addition, suppliers are evaluated against ESG parameters through a comprehensive desk-based assessment process to promote responsible supply chain management. **A defined assessment framework has been established to evaluate supplier risk exposure, with particular focus on suppliers classified as high risk.** During supplier onboarding and contract execution, **Laurus Labs gives preference to suppliers demonstrating stronger ESG performance to help mitigate associated risks.** To further enhance the effectiveness of suppliers' ESG programs, **Laurus Labs conducts capacity-building and training initiatives for internal stakeholders as well as suppliers and vendors, aimed at increasing awareness and strengthening understanding and maturity across various ESG topics.**

Supplier Screening (DJSI 1.7.3)

Laurus Labs conducts supplier screening through a well-defined standard operating procedure designed to systematically identify significant suppliers based on their capabilities, quality standards, ESG compliance, and overall performance during the onboarding stage. In addition, strategic suppliers are subject to comprehensive annual assessments across multiple performance parameters to support the long-term sustainability of the business and preserve its social license to operate. Laurus Labs actively encourages suppliers to comply with its Supplier Code of Conduct. As part of the supplier evaluation process, technical, financial, quality, environmental, social, and governance (ESG) criteria are considered, and suppliers are assessed using a risk matrix that incorporates country-, sector-, and commodity-specific risk factors.

Supplier Assessment and Development (DJSI 1.7.4)

Supplier Assessment	Laurus Labs has established a supplier assessment process that includes desk-based evaluations involving systematic verification of supporting evidence, as well as on-site assessments conducted by company personnel. In addition, Strategic Suppliers undergo periodic assessments, either desk-based or on-site, using standards and methodologies aligned with recognized industry or multi-stakeholder frameworks. These assessments consider compliance with applicable regulatory requirements, including the Factories Act and Companies Act, as well as GRI Standards, UNGC principles, relevant ISO standards, and other applicable frameworks. Following the assessment process, Laurus Labs evaluates the ESG risk profile of each Strategic Supplier, enabling informed business decision-making, and conducts training and capacity-building initiatives to support suppliers in enhancing their ESG maturity. Assessment results may influence the continuation of business relationships where suppliers do not meet the minimum ESG requirements within the stipulated timeframe. While our long-term objective is to extend ESG risk coverage across the entire value chain, our current priority is to ensure comprehensive assessment of all critical suppliers. Laurus Labs is establishing a process to engage independent, accredited third-party auditing bodies for on-site ESG assessments of critical and strategic suppliers. The process will include assessment against the Supplier Code of Conduct, applicable regulatory requirements and relevant recognised standards, followed by documented corrective-action plans and monitoring of closure.
Supplier Development	Laurus Labs implements a supplier development program focused on the Company's supplier ESG framework, processes, and requirements, while providing support to suppliers through remote and on-site engagement for the implementation of corrective and improvement actions. The program is led by Laurus Labs' internal experts, who create awareness among suppliers regarding the importance of ESG and the adoption of relevant best practices. Suppliers and vendors are educated on Laurus Labs' supplier management practices and the expectations placed on business partners to ensure adherence to these requirements and foster long-term collaboration. They also provided insights into responsible supply chain practices adopted by industry peers to help mitigate potential risks. In addition, the training program includes technical guidance on key ESG initiatives, enabling suppliers to better understand the actions required and the benefits that can be realized through their implementation.

KPIs for Supplier Assessment and Development (DJSI 1.7.5)

Laurus Labs tracks and reports the coverage and progress of its supplier assessment and development programs. The Company also reports the number of unique suppliers identified as significant through the supplier screening process, enabling effective monitoring of engagement and ESG performance across the supply chain.

KPI for supplier and assessment development	FY 2026	Percentage (calculated)	Public reporting
1.1. Total number of unique suppliers	250		
1.2. Number of unique significant suppliers	250		
1.3. Number of unique significant suppliers supported with development measures (as a subset of 1.2)	250	% of suppliers supported in development measures- 100%	
1.4. Number of unique significant suppliers assessed via desk assessments/on-site assessments (as a subset of 1.2)	250	% of unique significant suppliers assessed – 100%	
1.5. Number of unique significant suppliers assessed with substantial actual/potential negative impacts (as a subset of 1.4)	0		
1.6. Number of unique significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan (as a subset of 1.5)	0	Since no significant suppliers were identified with actual/potential negative impacts, there was no agreed corrective action/improvement plan for them.	
1.7. Number of unique significant suppliers with substantial actual/potential negative impacts that were terminated (as a subset of 1.5)	0	Since no significant suppliers were identified with actual/potential negative impacts, there was no termination. Even if any supplier is identified with actual/potential negative impacts, we engage them with corrective action plan and retain them	

Tax Strategy

Tax Strategy and Governance (DJSI 1.8.1)

At Laurus Labs, we maintain high standards of tax governance through the implementation of robust procedures and effective risk management practices. Our commitment to transparency and ethical conduct underpins our approach, ensuring that all tax-related activities are carried out responsibly and in compliance with applicable laws and regulations. Our experienced tax professionals collaborate closely with various functions across the organization, incorporating detailed tax assessments and insights into business planning and decision-making processes. This cross-functional approach enables us to proactively identify, assess, and manage potential tax risks while optimizing our tax position in line with business objectives. In addition, we engage reputable external advisors to complement our internal expertise and support compliance with evolving regulatory requirements, thereby protecting the Company's interests and strengthening stakeholder confidence. The Tax Policy is endorsed by the Board of Directors.

Link to our tax policy: https://www.lauruslabs.com/images/pdfs/Laurus_Labs_Tax%20Policy.pdf

Tax reporting (DJSI 1.8.2)

List of Entities as on 31st March 2026

Name of the Holding Company	Name of the Subsidiary	Country	% Shareholding	Status
Laurus Labs Limited	Sriam Labs Pvt. Ltd.	India	100%	Wholly Owned Subsidiary
	Laurus Holdings Limited, United Kingdom	India	100%	Wholly Owned Subsidiary
	Laurus Synthesis Pvt. Ltd.	India	100%	Wholly Owned Subsidiary
	Laurus Generics (SA) Pty Ltd.	South Africa	100%	Wholly Owned Subsidiary
	Laurus Specialty Chemicals Pvt. Ltd.	India	100%	Wholly Owned Subsidiary
	Laurus Bio Pvt. Ltd.	India	78.34%	Subsidiary
	Immunoadoptive Cell Therapy Private Limited	India	34.89 %	Associate
	Ethan Energy India Private Limited	India	26 %	Associate
	KRKA Pharma Private Limited	India	49 %	Joint Venture
	Kurnool Renewables Private Limited	India	26%	Associate

Laurus Holdings Ltd., UK	Laurus Generics GmbH, Germany	Germany	100%	Wholly Owned Subsidiary
	Laurus Generics Inc., USA*	USA	100%	Subsidiary

* Laurus Labs Limited is holding 49.24% of Laurus Generics Inc., USA and remaining 50.76% is held by Laurus Holdings Ltd., UK.

Major jurisdiction-wise other Key Financial Information for FY 2025-26 (₹ in Crores)

Jurisdictions	Revenues -Total	Profit (Loss) before Income Tax	Income Tax Accrued -Current Year	Income Tax Paid (on a cash basis)	Employees
India	6,859	1,115	296	294	8,114
USA	516	61	1	-	9
Germany	-	6	-	-	-
UK	6	0	0	0	2
South Africa	0	(1)	(0)	-	1
Total	7,381	1,182	298	294	8,126

Numbers in zero indicates amount less than INR 1 Crore

Effective Tax Rate (DJSI 1.8.3)

Financial reporting	FY2024-25	FY2025-26
Earnings before Tax (INR)	5,038,100,000	9,940,900,000
Reported Taxes (INR)	1,234,200,000	2,536,100,000
Effective Tax Rate (in %)	24.49733	25.51177
Cash Taxes Paid (INR)	1,343,900,000	2,855,600,000
Cash Tax Rate (in %)	26.67474	28.72576

Information Security/ Cybersecurity and System Availability

IT Security/ Cybersecurity Governance (DJSI 1.9.1)

- Mr. V.V. Ravi Kumar, our Executive Director and Chief Financial Officer (CFO), oversees all board-related matters of information and cybersecurity. He is part of the Risk Management Committee, which also reviews risk-related aspects of Information Technology (I.T.) and Cybersecurity within the organization.
- At an Executive level, Mr. Vivek Digumarti is responsible for overseeing cybersecurity within the company and reports to Mr. V.V. Ravi Kumar (Director).

- Mr. V.V Ravi Kumar (Director) has 30+ years of experience in Information Technology which includes implementation and oversight of Information Security.
- We have an external **Chief Information Security Officer (CISO)** who supervises day-to-day IT

Information Security Policy (DJSI 1.9.2)

Laurus Labs continues to strengthen its information security systems through a defined IT security and cybersecurity framework governed by the [Information Security Policy](#). The Company's Information Security Management System (ISMS) is certified to **ISO 27001:2022**, reflecting its commitment to implementing internationally recognized information security practices. This framework is focused on safeguarding the integrity and security of data through a comprehensive risk assessment and response approach. The Company monitors and addresses information security threats through regular training initiatives and periodic testing of recovery plans. Clear information security responsibilities have been assigned across the workforce to promote accountability at all levels. In addition, Laurus Labs has established specific information security requirements for third-party engagements, including vendors and suppliers, and conducts vulnerability assessments to identify, classify, and prioritize system vulnerabilities.

Laurus Labs continues to enhance its information security systems through a defined IT security and cybersecurity framework established under the Information Security Policy. The policy underscores the importance of continuously strengthening information security systems through regular updates and improvements that align with evolving technologies and threat landscapes. It incorporates robust processes for the timely monitoring, detection, and response to information security threats. The policy further defines clear information security responsibilities across the workforce, promoting accountability at all levels of the organization. In addition, it sets out specific information security requirements for third parties to ensure consistent security standards across external engagements. The integrity and protection of data are also supported through the Company's dedicated privacy policy, which provides a comprehensive framework for data protection.

Information Security Management Programs (DJSI 1.9.3)

Laurus Labs maintains an ISO 27001:2022-certified Information Security Management System (ISMS), which provides a structured framework for identifying, managing, and mitigating information security risks and supports the continuous improvement of cybersecurity controls across the organization.

Our I.T./Cybersecurity Management Policies and Procedures

Information security/ cybersecurity policy is internally available to all employees.	The ISMS policy is available on Laurus's internal intranet portal, reflecting the company's commitment to information security in alignment with business, legal, and regulatory requirements. The portal also provides access to SOPs on security incidents and monitoring, an information classification policy, and incident management procedures.
Information security/cybersecurity awareness training.	Multiple platforms are used to create awareness among employees regarding the ISMS policies, framework, and updates. The training program includes: • Mandatory information security training for all new employees as part of the induction process. • Weekly security awareness communications shared with all employees. • Targeted training sessions conducted as required when specific risks are identified, or tests are required.

Internal and independent external audit of IT infrastructure and information security management system	Internal and external audits are conducted on a regular basis to evaluate the effectiveness of IT infrastructure and information security management systems. Similar assessments are also undertaken to review compliance with the IT policy.
Escalation process which employees can follow in the event an employee notices something suspicious is in place.	Employees who want to escalate any issue or report any security incident can raise their concerns at issecurity@lauruslabs.com and ishelpdesk@lauruslabs.com

Our IT Management Programs

Laurus Labs has established a robust IT security and cybersecurity framework to support business continuity during operational interruptions and disruptive events. Their Business Continuity Plan (BCP) outlines the necessary actions required to sustain processes when normal operations are affected. This involves a comprehensive risk identification process that assesses both short-term and long-term threats, as well as their potential impact on business operations. Identified risks are evaluated and managed based on their severity, leading to the development of a structured response strategy and recovery plan. To strengthen preparedness and resilience, regular training sessions and testing are conducted. From an Information Security (IS) infrastructure perspective, Laurus Labs has implemented protocols for verification, maintenance, and restoration, essential for effective disaster recovery. These measures are aimed at safeguarding the company's IT assets and minimizing disruption arising from disasters or security breaches. In addition, third-party vulnerability analyses are conducted to identify, classify, and prioritize vulnerabilities in computer systems, applications, and network infrastructures.

Category	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total number of information security breaches or other cybersecurity incidents	0	0	0	0
Total number of data breaches	0	0	0	0
Total number of customers and employees affected by the company's data breach	0	0	0	0
Total amount of fines/penalties paid in relation to information security breaches or other cybersecurity incidents.	0	0	0	0

Responsible Artificial Intelligence

Responsible Artificial Intelligence Policy (DJSI 1.10.1)

Laurus Labs recognizes the growing importance of Artificial Intelligence (AI) and is committed to ensuring that any current or future use of AI is undertaken responsibly, ethically, and in compliance with applicable laws and regulations. The Responsible Artificial Intelligence Policy establishes guiding principles relating to privacy and data protection, security, fairness, human oversight, transparency, accountability, responsible use boundaries, environmental considerations, and the prohibition of unethical AI practices. The Policy applies to employees and relevant third parties and provides a framework for the responsible adoption and use of AI technologies.

Link to our AI Policy: <https://www.lauruslabs.com/disclosures.html>

Responsible Artificial Intelligence Program (DJSI 1.10.2)

As AI technologies continue to evolve, Laurus Labs is taking a measured approach to the adoption and use of AI-enabled tools. The Company promotes responsible use through established information security, data privacy, and compliance practices, supported by employee awareness initiatives and appropriate oversight mechanisms. Any future expansion of AI use will be guided by the principles set out in the Responsible Artificial Intelligence Policy and aligned with applicable regulatory and business requirements.

Product Quality and Recall Management

Product Quality Programs (DJSI 1.11.1)

Quality Management Systems

At Laurus Labs, we remain strongly committed to maintaining the quality of our products. Our "One Quality Standard for All Markets" philosophy reflects our dedication to meeting the highest regulatory standards by integrating cGMP, Environmental Health & Safety (EHS), and Quality Assurance (QA) systems across our operations. We have further strengthened our quality management through advanced systems, enhanced regulatory oversight, and a culture of continuous improvement, ensuring alignment with evolving global demands. **We maintain a robust internal audit process.** During FY 2026, we successfully carried out 61 regulatory audits and 132 quality audits across regulatory and customer audits, demonstrating our ability to effectively manage both audits and regulatory inspections.

The Laurus Labs group consists of multiple manufacturing facilities in Visakhapatnam, manufacturing various pharmaceutical finished dosage forms, active pharmaceutical ingredients, intermediates, dietary and nutraceutical ingredients. There are about six manufacturing facilities of Laurus Labs in Visakhapatnam.

The sites are accredited for quality management systems by ISO as per the **ISO 9001:2015 standard (Quality Management System)**. The sites possess GMP compliance certifications from various regulatory agencies like USFDA, ANVISA, WHO, JAZMP, EDQM, Swissmedic (EU), PMDA, Mexican COFEPRIS, KENYA, Libya, Ghana, and the Ministry of Industry and Trade of the Russian Federation.

The quality unit is independent and comprises both quality assurance and quality control functions. All quality management systems are governed through well-defined and independent standard operating procedures and are managed electronically through electronic quality assurance management systems (eQAMS). Periodic GMP training and refresher training sessions on GMP are in place as per the annual schedule.

Laurus Labs uses digital and advanced technologies to strengthen product-quality management. Electronic Quality Assurance Management Systems (eQAMS), ICDAS for stability-chamber monitoring and Minitab for statistical analysis support real-time monitoring, data-based quality reviews, investigation of deviations and continuous improvement. These tools enhance the effectiveness, consistency and traceability of quality controls across the product lifecycle.

Laurus Labs has established measurable product-quality objectives, including maintaining **zero product recalls**, ensuring compliance with approved product specifications and GMP requirements, and monitoring quality incidents, deviations, market complaints and corrective actions. Progress against these objectives is reviewed through the Company's Quality Management System, internal audits, quality reviews and management oversight.

Laurus Labs requires suppliers and business partners to maintain the highest standards of product quality and patient safety. Suppliers must comply with applicable Good Manufacturing Practices (GMP), relevant quality standards, contractual quality requirements and applicable laws and regulations. Supplier quality performance is assessed through onboarding, documentation reviews, audits and periodic evaluations. Where gaps are identified, suppliers are required to implement corrective or improvement actions, and continued business engagement may be reconsidered if minimum quality requirements are not met.

Management of Product Defects

All the quality management systems are driven through well-defined and independent standard operating procedures. Each batch of every product manufactured undergoes comprehensive quality checks and is released

only after meeting defined specifications and SOP requirements prior to dispatch to the market. Any discrepancies or failures are addressed and investigated through the out-of-specification procedure. The SOP No. QA/004 titled “Investigation of Out of Specification Results” is in place. A structured mechanism for quality review, investigation, and resolution of the discrepancy is in place. The mechanism and provision for market complaints are in place for external stakeholders. The SOP No. QA/017 titled “Handling of Market Complaints” is in place.

The mechanism and procedure for recalls are in place to address defective products, if any. The SOP No. QA/050 titled “Handling of Recalls” is in place. There have been no product recalls in the last five (05) years.

Product Recalls (Health Care) (DJSI 1.11.2)

Class I Recalls (or equivalent)

Category	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of Class I recall (or equivalent)	0	0	0	0
Total value of recalled products. Please report this in USD millions .	0	0	0	0

Class II Recalls (or equivalent)

Category	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of Class II recalls (or equivalent)	0	0	0	0
Total value of recalled products. Please report this in USD millions .	0	0	0	0

Compliance to Regulatory Standards (DJSI 1.11.3)

Regulatory Agency Inspections

Regulatory agency inspections	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of inspections	10	14	13	61

The number of regulatory inspections of Laurus Labs facilities are provided.

Form 483 Observations and FDA Warning Letters

Form 483 Observations (or equivalent)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of Form 483 Observations (or equivalent)	1	0	1	0
Annual revenues generated from the affected facilities. Please report this in USD millions .	0	0	0	0
Annual revenues impacted by production stoppages. Please report this in USD millions .	0	0	0	0

Response was submitted to Form 483 observations, and EIRs were received. There is no production stoppage or annual revenue impact to date for any of the facilities of Laurus Labs.

FDA Warning Letters (or equivalent)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of FDA Warning Letters (or equivalent)	0	0	0	0
Annual revenues generated from the affected facilities. Please report this in USD millions .	0	0	0	0
Annual revenues impacted by production stoppages. Please report this in USD millions .	0	0	0	0

There are No FDA Warning Letters. There have been no production stoppages or annual revenue impacts to date for any of the facilities of Laurus Labs.

Environmental Dimension

Environmental Policy & Management

Environmental Policy (DJSI 2.1.1)

Laurus Labs has an [Environmental, Health, Safety and Sustainability \(EHSS\) Policy](#) and an [ESG policy](#) that encompasses multiple elements of an effective and robust Environmental Management System (EMS). The implementation of this policy is overseen by our Board of Directors. The policy is designed to minimize the environmental and/or ecological impacts and outlines various aspects including defined roles and responsibilities for its implementation, compliance with relevant environmental laws and regulations, commitment to continuous improvement of environmental performance through target setting, initiatives to enhance awareness among internal and external stakeholders and training programs that help employees understand the environmental impacts associated with their work activities.

Environmental Management Systems (EMS) Verification (DJSI 2.1.2)

Laurus Labs has a publicly available environmental management policy, [Environmental, Health, Safety and Sustainability \(EHSS\) Policy](#), which extends to cover production operations and business facilities, products and services, and stakeholders (distribution and logistics, suppliers, service providers, and contractors, etc.). Additionally, Laurus Labs has deployed a third-party ISO 14001:2015-certified [Environmental Management System \(EMS\)](#), and 100% of operations comply with the standards.

Certification /Audit /Verification	Responses
EMS is verified through international standards	ISO 14001:2015
Third-party certification/audit/verification by specialized companies.	Third-party certification
Percentage of Environmental Management System (EMS) Coverage	100%

Environmental Violations (DJSI 2.1.3)

Laurus Labs hasn't paid any significant fines (more than USD 10,000) related to environmental or ecological issues in the past four fiscal years (FY2022-2025).

Aspects	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of violations of legal obligations/regulations	0	0	0	0
Fines/penalties related to legal obligations/regulations for environmental violations	0	0	0	0
Environmental liability accrued at year-end.	0	0	0	0

Energy

Energy Management Programs (DJSI 2.2.1)

Laurus Labs has implemented a comprehensive energy management program (with 100% of sites certified under ISO 50001:2018 -Energy Management Systems). The program incorporates several key elements, including energy audits to identify opportunities for enhancing energy performance, establishment of quantified targets for energy savings, initiatives to reduce the amount of energy consumption, and regular evaluation of progress to reduce energy consumption. It also emphasizes the adoption of clean and/or green energy, investments in innovation or R&D to decrease energy consumption, and employee training programs aimed at increasing awareness and promoting energy conservation practices. Laurus Labs have set a goal to achieve energy efficiency improvement of 15% and achieve 40% renewable energy contribution to total energy consumption by 2030.

The key initiatives undertaken to reduce energy consumption include:

- Transitioned to energy-efficient LED lighting across facilities, reducing overall electricity consumption
- Improved cooling tower efficiency through Variable Frequency Drives (VFDs), thermostats, centrifugal chillers and EC blowers
- Established a connecting pipeline between Utility-1 and Utility-2, enabling a single chiller to support MB-5, MB-6A and MB-4 operations during lower load periods
- Optimized process parameters and installed pressure control pumps, VFDs for cooling tower fans and timers for lighting systems
- Installed on/off control valves for specified AHUs to improve energy optimization
- Increased renewable energy usage through captive solar power of 2.97 Mwh capacity and power purchase agreements.
- Replaced screw chillers with energy-efficient centrifugal chillers
- Installed IE3 pumps and initiated plans for progressive replacement with higher-efficiency IE4 and IE5 motors

Key Outcomes

- Renewable energy generated: 30,31,547 kWh
- Energy savings achieved: 38,19,211 kWh

Energy Consumption (DJSI 2.2.2)

Laurus Labs reports on total energy consumption, which includes total energy consumption from renewable and non-renewable sources. This data has been third-party verified and is available in the [Integrated Annual Report 2025-26](#).

Total energy consumption	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total non-renewable energy consumption	MWh	837,220.7	975,318.72	971,028.17	1,410,350.62

Total renewable energy consumption	MWh	35,819.06	21,583.54	33,211.96	34,038.75
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1GJ = 0.29 MWh

Target for FY2025-26: 1,118,509.05 MWh

Note – The data has been externally assured by a third-party agency named NQA Certification Limited (NQA).

Waste & Pollutants

Waste Management Programs (DJSI 2.3.1)

Laurus Labs has established a waste management program aimed at promoting environmental sustainability, with a strong focus on waste diversion and minimization. The key elements of the program include conducting waste audits to identify opportunities for reducing waste generation and developing corresponding action plans, setting quantified waste reduction targets, investing in innovation and R&D initiatives to minimize waste, and providing employee training on waste reduction practices. Moreover, we encourage recycling and reuse of waste through engagement with authorized recycling vendors, ensuring managed responsibly and diverted towards recycling and recovery wherever feasible.

Key initiatives to manage waste:

- Collaborated with authorized vendors for the responsible disposal and recycling of hazardous waste. A significant portion is sent for coprocessing in cement plants, reducing the volume sent to landfills.
- Prioritize recycling and reuse across all nonhazardous waste streams, including organic waste, which is composted on-site. In FY26, 37,449 tonnes of waste were recycled and reused.
- Wastewater generated across manufacturing units is routed to the centralized Unit-8 Laurus Effluent Treatment Plant (LETP), where it undergoes advanced primary, secondary, and tertiary treatment processes, including Bio-ETP, Multiple Effect Evaporator (MEE), Agitated Thin Film Dryer (ATFD), and Reverse Osmosis (RO). The treated water is recirculated back to the manufacturing units for operational reuse, enabling the recycling and reuse of 89,036 KL of wastewater during the reporting period and supporting Laurus' circular water management strategy.
- Implemented process optimization initiatives to reduce hazardous waste generation, including lowering ATFD salt moisture content to enhance material recovery and strengthening waste segregation practices at source. These measures improved waste management efficiency, reduced ETP sludge generation, and minimized the volume of hazardous waste requiring treatment and disposal. In line with Laurus Labs' sustainability commitment, the Company has established a target to route 80% of hazardous waste generated across operational sites for recycling and co-processing, supporting greater resource recovery, reduced landfill disposal, and advancement of circular economy principles.

Waste Disposal (DJSI 2.3.2)

Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total waste recycled/reused	MT	2.68	3,594	4,096	2672.7
Total waste disposed	MT	5,950	7,531.6	7,291	9104.1
-Waste landfilled	MT	0	0	0	0

-Waste incinerated with energy recovery	MT	0	0	0	0
-Waste incinerated without energy recovery	MT	0	0	0	0
-Waste otherwise disposed	MT	0	0	0	0
-Waste with unknown disposal method	MT	0	0	0	0
Data Coverage (Percentage of Operations)	%	100	100	100	100

Note – The data has been externally assured by a third-party agency named NQA Certification Limited (NQA)

Target for FY2025-26: 7058 MT

Hazardous Waste (DJSI 2.3.3)

Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total hazardous waste recycled/reused	MT	20,719	22,883.6	30,331	34,104
Total hazardous waste disposed	MT	6,738.9	10,832.6	12004	13737
- Hazardous waste landfilled	MT	1,696	5,752	6,788	6,444
-Hazardous waste incinerated with energy recovery	MT	0	0	0	0
-Hazardous waste incinerated without energy recovery	MT	528.9	818	433	1,686
-Hazardous waste otherwise disposed	MT	4,514	4,262.6	4,783	5,607
-Hazardous waste with unknown disposal method	MT	0	0	0	0
Data Coverage (Percentage of Operations)	%	100	100	100	100

MT: Metric Tonnes

Note – The data has been externally assured by a third-party agency named NQA Certification Limited (NQA)

Target For FY2025-26: 11620 MT

Target for FY2025-26 for waste sent to landfill: 4920 MT

Water

Water Efficiency Management Programs (DJSI 2.4.1)

Laurus Labs has implemented a water efficiency management program that encompasses various initiatives related to water recycling and reuse, water consumption, enhancement of water efficiency, improvement of wastewater quality, and target setting for water consumption. In addition, Laurus Labs conducts training and awareness programs for employees to strengthen their understanding of water efficiency measures and related initiatives.

Key initiatives undertaken:

- Implemented systems to manage and reduce water use across our facilities. During FY26, we consumed 1,046,970KL of water and successfully recycled 3,42,862 KL using advanced treatment processes such as reverse osmosis (RO) and mixed bed treatments, reintegrating it into our boiler systems.
- Diverted rinsing water from the new pretreatment plant to main water source tanks through ponds, resulting in water savings
- Reused steam condensate from MEE systems and rejected process water across boilers, cooling towers and gardening applications
- Treated Bio ETP outlet water through reverse osmosis systems at the Common Effluent Treatment Plant and reused it for cooling tower makeup and boiler feed applications
- Reused softener backwash water for gardening, reducing freshwater consumption
- These initiatives led to a reduction of 1,15,643 KL in freshwater usage.

Water Consumption (DJSI 2.4.2)

Laurus Labs tracks the water withdrawal and reports on the total quantity of water discharged and computes the total net freshwater consumption across the business operations. This data has been third-party verified and is available in the [Integrated Annual Report 2025-26](#).

Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
A. Water withdrawal (excluding saltwater)	Million m3	1.39	1.58	1.56	1.66
B. Water discharge (excluding saltwater)	Million m3	0.90	0.61	0.56	0.62
Total net freshwater consumption (A-B)	Million m3	0.49	0.97	1.00	1.04
Data coverage (Percentage of Operations)	%	100	100	100	100

Note – The data has been externally assured by a third-party agency named NQA Certification Limited (NQA).

Target for FY2025-26: 1.15 Million m3

Climate Strategy

Direct Greenhouse Gas Emissions (Scope 1) (DJSI 2.5.1)

Laurus Labs prepares the greenhouse gas inventory, and the data for the total direct greenhouse gas emissions (DGHG SCOPE 1) is available in the [Integrated Annual Report 2025-26](#).

Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total direct GHG emissions (Scope 1)	MTCO ₂ e	182,215	3,21,270	3,15,457	377,764
Data coverage (Percentage of Operations)	%	100	100	100	100

MTCO₂e: Metric Tonnes CO₂ equivalents

Note – The data has been externally assured by a third-party agency named NQA Certification Limited (NQA).

Target for FY2025-26: 288078.93 MTCO₂e

Indirect Greenhouse Gas Emissions (Scope 2) (DJSI 2.5.2)

Laurus Labs prepares the greenhouse gas inventory and includes the indirect greenhouse gas emissions from energy purchased, i.e., Scope 2 emissions as defined by the GHG Protocol.

Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Location-based	MTCO ₂ e	159,094	1,76,679	198,390	210,529
Market-based	MTCO ₂ e	-	-	1,81,901	189,832
Data coverage (Percentage of Operations)	%	100	100	100	100

MTCO₂e: Metric Tonnes CO₂ equivalents

Note – The data has been externally assured by a third-party agency named NQA Certification Limited (NQA).

Target for FY2025-26: 181172.01 MTCO₂e

Indirect Greenhouse Gas Emissions (Scope 3) (DJSI 2.5.3)

Laurus Labs prepares the greenhouse gas inventory and considers the indirect greenhouse gas emissions from the value chain, i.e., Scope 3 emissions as defined by the GHG Protocol Corporate Value Chain Standard.

Indirect GHG (Scope 3)	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total indirect GHG emissions (Scope 3)	MTCO ₂ e	73,322	87,212	3,30,036	589,356

MTCO₂e: Metric Tonnes CO₂ equivalents

Target for FY2025-26: 358787.27 MTCO₂e

The FY2024-25 GHG inventory originally included only five emission categories. In FY2025-26, the inventory was expanded to cover all applicable categories, and the previous year's inventory was restated using the same methodology. Consequently, the FY2024-25 emissions reported in the current year differ from those disclosed previously.

Scope 3 Category-wise	FY 2025-26 (tCO ₂ e)
1. Purchased Goods and Services	1,27,399
2. Capital Goods	72,812
3. Fuel-and-energy-related activities (not included in Scope 1 or 2)	1,70,744
4. Upstream transportation and distribution	1,25,195
5. Waste generated in operations	3,762
6. Business travel	882
7. Employee commuting	6,153
8. Upstream leased assets	-
9. Downstream transportation and distribution	10,236
10. Processing of sold products	71,856
11. Use of sold products	-

12. End-of-life treatment of sold products	18
13. Downstream leased assets	-
14. Franchises	-
15. Investments	297
Other upstream	-
Other downstream	-

Climate Governance (DJSI 2.5.4)

Laurus Labs has established a dedicated Risk Management and ESG Committee constituted by the Board to oversee and strengthen the company's risk management practices and policies, including governance approaches related to climate change. The Committee periodically reports to the Board on its progress with respect to:

- Strengthening organizational resilience by protecting it from vulnerabilities and potential critical impacts.
- Embedding a robust risk governance framework through a strategic and proactive approach to risk management.

At the management level, the Sustainability Committee, chaired by the Chief Sustainability Officer (CSO), Mr. Srinivasa Rao M, is responsible for evaluating and managing climate-related risks and opportunities. Its key responsibilities include:

- Adoption of a comprehensive risk management framework that supports effective management of risks across the value chain.
- Identification and assessment of material risks relevant to the business.
- Periodic horizon scanning and monitoring of critical risks and emerging opportunities.
- Implementation of comprehensive risk management policies to facilitate early risk identification and develop a customized risk management plan.
- Periodic review and enhancement of policies in line with business requirements and evolving sectoral developments.

The Risk Management and ESG Committee periodically reports climate-related risks, opportunities, and governance matters to the Board of Directors, ensuring that climate-related issues are formally considered by the Board at least annually.

TCFD Disclosure (DJSI 2.5.5)

Recognizing the growing importance of addressing climate change and its potential risks to the environment, society, and business operations, Laurus Labs has undertaken a climate risk assessment aligned with the four pillars recommended by the Task Force on Climate-Related Financial Disclosures (TCFD), namely governance, strategy, risk management, and metrics and targets.

1. Governance

Board Supervisory System for Climate Change Risks and Opportunities:

- A dedicated Risk Management Committee constituted by the Board oversees and strengthens the Company's risk management practices and policies.
- The Risk Committee provides periodic updates to the Board on the progress and effectiveness of risk management initiatives.
- Enhancing organizational resilience by protecting it from vulnerabilities and potential impacts is a key priority.
- The strategic objective is to maintain and strengthen a risk governance framework that reflects the highest standards of governance and risk management.

At the management level, the Sustainability Committee, chaired by the Chief Sustainability Officer (CSO), Mr. Srinivasa Rao M, is responsible for assessing and managing climate-related risks and opportunities. Its key responsibilities include:

- A comprehensive risk management framework that supports effective risk management throughout the value chain.
- Periodic horizon scanning and continuous monitoring of risks and opportunities in this evolving business environment.
- Identification and assessment of material risks that are significant to the business and its operations.
- Implementation of risk management policies that facilitate early risk identification and development of an appropriate risk management plan.
- Regular review and enhancement of policies to ensure alignment with business requirements and evolving sectoral developments.

2. Strategy

Laurus Labs conducted a climate risk assessment over different time horizons namely short-term (by 2030), medium-term (by 2040), and long-term (by 2050) to evaluate the climate-related risks and opportunities across different climate scenarios namely SSP 1-2.6 (low greenhouse gas (GHG) emission/sustainability – taking the green road/ optimistic scenario), SSP 2-4.5 (intermediate/medium GHG emissions/middle of the road or business-as-usual), and SSP5-8.5 (very high GHG emission/fossil-fuel development, taking the highway/worst case/ pessimistic). The assessment includes our twenty-four facilities, encompassing our own operations - manufacturing and offices across Anakapalli, Andhra Pradesh; offices, manufacturing and research and development (R&D) facilities across Greater Hyderabad Region, Telangana; manufacturing facilities across Karnataka (Bengaluru, and Tumakuru), and overseas offices in South Africa and the United Kingdom (U.K.), and downstream activity- effluent treatment plant (ETP) unit in Anakapalli, Andhra Pradesh.

Laurus Labs has identified climate-related risks and opportunities which are integrated in the business strategy. The potential risks and opportunities identified by the management are outlined below:

Risks:

- An increase in extreme weather events (EWEs), including wind/cyclonic-related events, floods, and wildfires, may disrupt the operations of manufacturing facilities, and research and development (R&D) activities and supply chains of the pharmaceutical sector.

- Changes in temperature patterns (extreme heat) and precipitation levels (water stress) may influence the prevalence and geographic spread of diseases, potentially altering the demand for specific drugs or vaccines.
- Rising sea levels and coastal erosion may adversely affect infrastructure and facilities, resulting in higher operating costs and potential business disruptions.
- Regulatory changes associated with climate change may impact drug pricing and reimbursement of drugs, and the approval process for new products.
- Growing public awareness and concern regarding climate change may create reputational risks for pharma companies perceived as taking insufficient action to reduce their carbon footprint.
- Climate change may also impact employees' health and wellness.

Opportunities:

- Growing demand for medicines and vaccines associated with climate change-related impacts, including infectious diseases, respiratory conditions, and mental health issues.
- Development of innovative treatments and therapies aimed at addressing the health challenges of climate change.
- Incorporating sustainability and climate change considerations into business strategy can strengthen reputation, attract investors, and improve employee morale.
- Investment in renewable energy, green infrastructure, and energy efficiency initiatives can contribute to cost optimization and increase operational performance.
- Collaboration across sectors to address climate change can create new partnerships and opportunities for innovation.

The table below highlights the findings of the physical climate risk assessment:

Own Operations			Downstream activities
Offices	Manufacturing facilities	R&D facilities	ETP unit
The domestic/Indian offices units faces highest risk due to extreme heat (chronic risk) and an increase in precipitation, potentially leading to excessive floods (acute risk). The offices units in South Africa and the U.K. face highest risk due to water stress (chronic risk).	The manufacturing facilities across the Indian states of Andhra Pradesh, and Karnataka face highest risk due to extreme heat (chronic risk) and an increase in precipitation, potentially leading to excessive floods (acute risk).	The R&D facilities in Greater Hyderabad Region are exposed to extreme heat and water stress (chronic risks), along with heightened risk of heatwaves and	The ETP unit which is a downstream activity of our business operation and based at Anakapalli, Andhra Pradesh faces highest risk due to extreme heat (chronic risk) and an increase in precipitation,

		urban flooding (acute risks).	potentially leading to excessive floods (acute risk).
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ETP unit: Effluent Treatment Plant

For Transition Risks:

Transition risks stem from the shift to a low-carbon economy and may influence operating costs, market conditions, technology adoption, and stakeholder expectations. To address these evolving challenges, Laurus Labs continuously assesses climate-related transition risks and their potential financial and operational impacts. This ongoing evaluation helps strengthen strategic decision-making, improve resilience, and position the company to effectively manage emerging climate-related risks while capturing associated opportunities.

Transition Risk Category	Risk Type	Financial Impact	Mitigation
Policy and Legal	Disclosure Mandates	a. Increased spending on sustainability data management and reporting systems. b. Higher assurance, consulting, and compliance costs. c. Potential penalties and regulatory scrutiny from non-compliance.	• Strengthen ESG data governance and accountability. • Improve sustainability data collection and validation. • Implement centralized reporting systems. • Enhance supplier engagement and Scope 3 reporting. • Conduct regular assessments against evolving disclosure frameworks.
Technology	Low-Emission Manufacturing Transition	a. Higher transition costs from technology upgrades, workforce training, and process optimization. b. Increased energy and utility costs due to carbon pricing, renewable energy	• Increased renewable energy usage through captive solar power, power purchase agreements (PPAs), and investments in renewable energy projects.

		mandates, and environmental regulations. c. Higher production costs and margin pressure if competitors decarbonize faster.	• Conversion of a coal-fired boiler to biomass fuel, with plans to expand the initiative to other viable operations. • Replacement of conventional screw chillers with energy-efficient centrifugal chillers, reducing electricity consumption and associated emissions.
Reputation	Growing stakeholder and investor preference for net-zero healthcare systems, particularly in key export markets	a. Reduced access to public healthcare tenders due to evolving supplier decarbonization requirements. b. Loss of market share and pricing power as customers prefer low-carbon suppliers. c. Increased capital expenditure for renewable energy, energy efficiency, emissions reduction, and climate reporting systems.	SBTi Validation & 1.5°C Alignment: Laurus Labs' GHG reduction targets have been validated by the Science Based Targets initiative (SBTi), aligned with the 1.5°C pathway, focusing on: • Scope 1 & 2: 42.0% absolute reduction from the FY 2024-25 base year • Scope 3: 51.6% reduction per ₹ value added • Target year: FY 2030-31
Market	Increasing Demand for Sustainable Pharmaceutical Manufacturing	a. Reduced revenue growth opportunities as low-carbon performance becomes a key customer and procurement criterion. b. Increased investment in carbon footprinting, emissions data management, and decarbonization initiatives to remain competitive.	• Increase renewable energy use and improve energy efficiency to reduce product carbon intensity. • Engage customers on decarbonization requirements and incorporate feedback into sustainability initiatives.
Market	Pricing pressure from carbon costs across value chain	• Higher raw material, packaging, and logistics costs from carbon pricing.	• Assess supply chain carbon cost exposure and diversify sourcing.

		• Increased procurement and supply chain expenses due to supplier cost pass-through. • Pressure on operating margins and profitability. • Higher working capital needs and reduced cash flows.	• Optimize logistics to reduce carbon-related cost pass-through. • Engage suppliers to lower emissions across logistics and manufacturing.
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3. Risk Management

Our enterprise risk management (ERM) ensures that we abide by the regulatory expectations and fulfill our requirements consistently in an environment defined by complexity and change. We have a clearly defined governance and management framework that makes risk ownership and oversight part of day-to-day business operations.

Processes for Identifying and Assessing Climate-Related Risks

To discover, monitor, mitigate, and minimize risks, we have a strong and robust risk management framework that also identifies business opportunities. This framework is comprehensive, ensuring adequate escalation channels to elevate issues to the appropriate levels of senior management. With respect to embedding climate risk into our enterprise risk management (ERM) framework, we entail refining and enlarging the scope of climate risk assessment with a periodic review, continuous engagement and collaboration with experts, continuous monitoring of regulatory changes and technological advancements related to climate, and material ESG disclosures globally.

In the reporting year, we conduct a comprehensive Climate Risk Assessment (CRA), which enabled us to identify and assess risks and plan our mitigation measures. The CRA is conducted in three parts.

- a) **Risk Identification:** Our risk identification process for climate-related risks involves two steps:
 - Internal engagement across teams: At Laurus Labs, the functional groups of Risk Management Committee of the Board hold regular meetings to assess our enterprise risks, including climate-related risks.
 - Climate Risk Assessment (CRA): The process starts with a discussion involving senior leadership and key management personnel (KMPs) on prior or potential risks encountered in the course of business, along with the associated responses. With this documented, we expand our study using climate scenario analysis to understand the probability of future risks across our offices, manufacturing, and R&D facilities. We access climate projection databases to project the physical risks for each of our assets. For identifying transition risks to our business, we conduct thorough secondary research, including examination of industry reports, press and journal articles, peer disclosures, and trend analysis in the industry. With respect to climate scenario analysis, we adopted the assessment under different scenarios for physical as well as transition risks as suggested by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA).
- b) **Risk assessment:** Through our climate scenario analysis methodology, we assess all identified risks and opportunities. We narrow down the actionable items and create strategic mitigation plans after determining the possible effects of each risk and opportunity. As a result of this exercise, we are able to envision the potential impact (both risks and opportunities) of climate-related events on our assets (offices, manufacturing, and R&D facilities), and business operations

- c) **Risk Mitigation:** As a final step of this exercise, we have undertaken mitigation measures and adaptation initiatives to handle each risk and opportunity. Furthermore, we are focusing on establishing quantitative goals that will allow us to track our short-, medium- and long-term success on climate strategy.

Processes for Managing Climate-Related Risks

Our management process for climate-related risks follows a disciplined step-by-step approach, aligning with our commitment to continuously evolve and advance our climate strategy.

- a) **Integration with Enterprise Risk Management (ERM):** ESG and climate-related risks are embedded in our risk register, ensuring high visibility in the discussions of the Board Committees and providing clarity on their interaction with other enterprise risks. Additionally, cross-functional mapping across functional groups ensures that appropriate investments and mitigation controls are implemented.
- b) **Monitoring and Reporting:** We continuously monitor our progress made on various ESG goals and initiatives, covering climate, energy efficiency, waste management and water consumption, which is consistently tracked using Key Risk Indicators (KRIs). Results and progress made are reported internally by the Sustainability Committee to the Risk Committee of the Board. Reporting is also conducted to ensure transparency and regulatory compliance for external stakeholders.

Integration into Organization's Overall Risk Management

We incorporate our material ESG risks, including climate-related risks, into our enterprise risk management (ERM) framework, which is benchmarked to the COSO ERM framework, adheres to the Securities and Exchange Board of India (SEBI) directives, and complies with the Indian Companies Act, 2013.

4. Metrics and Targets

As a responsible and resilient business organization, Laurus Labs recognizes the potential impact of climate change on the environment, society, governance, and the economy. We understand that climate change can adversely affect our health, lifestyle, ecosystems, and natural habitats, as well as significantly alter weather patterns. Climate change is undoubtedly one of the most significant challenges facing the planet today. At Laurus, we take this responsibility seriously and are committed to reducing greenhouse gas emissions by managing our energy consumption from fossil fuels using the latest technologies, switching to cleaner sources of fuel, and expediting the transition to renewable energy. Laurus Labs firmly believes that the actions we undertake can make a significant difference in mitigating the effects of climate change and building a sustainable future. Laurus Labs uses numerous indicators to manage climate-related risks and opportunities, namely greenhouse gas emissions (Scope 1, 2, 3), total non-renewable energy consumption, total renewable energy consumption, etc.

We have established emission reduction targets encompassing reductions in Scope 1, Scope 2, and Scope 3 emissions (with FY2024-25 considered as the base year) as described: Our GHG reduction targets are aligned with Science Based Targets initiative (SBTi) near-term criteria and have been validated by the SBTi, marking an important milestone in our climate roadmap. These targets align our decarbonization efforts with the 1.5°C pathway and set clear reduction goals to be achieved by FY 2030-31.

Scope Covered by Target	Percentage Reduction Target from Base Year (2024-25)
Scope 1 and scope 2 combined	42.0% absolute reduction in GHG emissions from the FY 2024-25 base year
Scope 3	51.6% reduction in GHG emissions per ₹ value added from the FY 2024-25 base year

Climate-related Management Incentives (DJSI 2.5.6)

Laurus Labs Limited links climate-related performance to the short-term incentive plan of the President and Chief Sustainability Officer, who is responsible for overseeing the Company's ESG and sustainability agenda. The incentive is monetary and is provided through an annual bonus expressed as a percentage of salary. Performance

assessment includes progress against environmental and climate-related targets, implementation of the Company's climate transition plan, reduction in emissions intensity, improvement in energy efficiency and progress in renewable energy adoption, where applicable. The assessment also considers the implementation of relevant environmental policies and commitments and the integration of climate-related priorities into operational and financial planning.

The incentive structure is designed to strengthen senior-management accountability for the delivery of Laurus Labs' climate commitments and transition priorities. Performance against the relevant objectives is reviewed through the Company's established performance-management and governance processes, with oversight by the Risk Management and ESG Committee. The incentive is intended to encourage measurable progress in emissions reduction, energy efficiency and the execution of the Company's climate strategy across its operations.

Employees are also recognized for their contributions toward the organization's climate risk management objectives. At Laurus Labs, we value and acknowledge individuals who demonstrate exceptional commitment. The company has established department-specific ESG-related Key Performance Indicators (KPIs), including key environmental metrics like emissions, energy consumption, etc. These factors have the potential to create significant environmental impact and climate risks. Successful management of performance against these KPIs and achievement of annual goals are considered as part of the overall annual performance evaluation.

Climate Risk Management (DJSI 2.5.7)

Laurus Labs Limited integrates climate-related risks and opportunities into its centralized, multidisciplinary enterprise risk management process, which covers the Company's principal operational, strategic, financial, compliance and reputational risks. Climate-related risks are assessed alongside other enterprise risks and are overseen through the Company's established risk governance framework, including review by the Risk Management and ESG Committee. The assessment covers transition risks across the Company's upstream value chain and own operations, including current and emerging regulation, technology, legal, market and reputational risks. Physical climate risks are assessed for the Company's own operations and include both acute risks, such as extreme heat, floods, cyclones and other severe weather events, and chronic risks, such as long-term temperature increases, water stress and changing climate conditions. The assessment also considers climate-related opportunities, including renewable energy, energy efficiency, resource efficiency and climate-resilient operations. Climate risks and opportunities are evaluated across short-, medium- and long-term time horizons, aligned with the Company's risk-management and climate-strategy planning cycles, and the results are used to inform business planning, capital allocation, mitigation measures and the Company's climate transition plan.

For Physical Risks:

Laurus Labs conducted a climate risk assessment over different time horizons namely short-term (by 2030), medium-term (by 2040), and long-term (by 2050) across different climate scenarios namely SSP 1-2.6 (low greenhouse gas (GHG) emission/sustainability – taking the green road/ optimistic scenario), SSP 2-4.5 (intermediate/medium GHG emissions/middle of the road or business-as-usual), and SSP5-8.5 (very high GHG emission/fossil-fuel development—taking the highway/worst case/ pessimistic) for acute physical risk (floods, wind/cyclonic-related events, wildfires, heatwaves, coldwaves) and chronic physical risk (extreme heat, extreme cold and water stress). The assessment includes twenty-four facilities, encompassing own operations - manufacturing and offices across Anakapalli, Andhra Pradesh; offices, manufacturing and research and development (R&D) facilities across Greater Hyderabad Region, Telangana; manufacturing facilities across Karnataka (Bengaluru, and Tumakuru), and overseas offices in South Africa and the United Kingdom (U.K.), and downstream activity- effluent treatment plant (ETP) unit in Anakapalli, Andhra Pradesh.

Processes for Identifying and Assessing Climate-Related Risks

To discover, monitor, mitigate, and minimize risks, we have a strong and robust risk management framework that also identifies business opportunities. This framework is comprehensive, ensuring adequate escalation channels

to elevate issues to the appropriate levels of senior management. With respect to embedding climate risk into our enterprise risk management (ERM) framework, we entail refining and enlarging the scope of climate risk assessment with a periodic review, continuous engagement and collaboration with experts, continuous monitoring of regulatory changes and technological advancements related to climate, and material ESG disclosures globally.

In the reporting year, we conduct a comprehensive Climate Risk Assessment (CRA), which enabled us to identify and assess risks and plan our mitigation measures. The CRA is conducted in three parts.

- a) **Risk Identification:** Our risk identification process for climate-related risks involves two steps:
 - Internal engagement across teams: At Laurus Labs, the functional groups of Risk Management Committee of the Board hold regular meetings to assess our enterprise risks, including climate-related risks.
 - Climate Risk Assessment (CRA): The process starts with a discussion involving senior leadership and key management personnel (KMPs) on prior or potential risks encountered in the course of business, along with the associated responses. With this documented, we expand our study using climate scenario analysis to understand the probability of future risks across our offices, manufacturing, and R&D facilities. We access climate projection databases to project the physical risks for each of our assets. For identifying transition risks to our business, we conduct thorough secondary research, including examination of industry reports, press and journal articles, peer disclosures, and trend analysis in the industry. With respect to climate scenario analysis, we adopted the assessment under different scenarios for physical as well as transition risks as suggested by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA).
- b) **Risk assessment:** Through our climate scenario analysis methodology, we assess all identified risks and opportunities. We narrow down the actionable items and create strategic mitigation plans after determining the possible effects of each risk and opportunity. As a result of this exercise, we are able to envision the potential impact (both risks and opportunities) of climate-related events on our assets (offices, manufacturing, and R&D facilities), and business operations
- c) **Risk Mitigation:** As a final step of this exercise, we have undertaken mitigation measures and adaptation initiatives to handle each risk and opportunity. Furthermore, we are focusing on establishing quantitative goals that will allow us to track our short-, medium- and long-term success on climate strategy.

Processes for Managing Climate-Related Risks

Our management process for climate-related risks follows a disciplined step-by-step approach, aligning with our commitment to continuously evolve and advance our climate strategy.

- a) **Integration with Enterprise Risk Management (ERM):** ESG and climate-related risks are embedded in our risk register, ensuring high visibility in the discussions of the Board Committees and providing clarity on their interaction with other enterprise risks. Additionally, cross-functional mapping across functional groups ensures that appropriate investments and mitigation controls are implemented.
- b) **Monitoring and Reporting:** We continuously monitor our progress made on various ESG goals and initiatives, covering climate, energy efficiency, waste management and water consumption, which is consistently tracked using Key Risk Indicators (KRIs). Results and progress made are reported internally by the Sustainability Committee to the Risk Committee of the Board. Reporting is also conducted to ensure transparency and regulatory compliance for external stakeholders.

Integration into Organization's Overall Risk Management

We incorporate our material ESG risks, including climate-related risks, into our enterprise risk management (ERM) framework, which is benchmarked to the COSO ERM framework, adheres to the Securities and Exchange Board of India (SEBI) directives, and complies with the Indian Companies Act, 2013.

The table below highlights the findings of the physical climate risk assessment:

Own Operations			Downstream activities
Offices	Manufacturing facilities	R&D facilities	ETP unit
The domestic/Indian offices units faces highest risk due to extreme heat (chronic risk) and an increase in precipitation, potentially leading to excessive floods (acute risk). The offices units in South Africa and the U.K. face highest risk due to water stress (chronic risk).	The manufacturing facilities across the Indian states of Andhra Pradesh, and Karnataka face highest risk due to extreme heat (chronic risk) and an increase in precipitation, potentially leading to excessive floods (acute risk).	The R&D facilities in Greater Hyderabad Region are exposed to extreme heat and water stress (chronic risks), along with heightened risk of heatwaves and urban flooding (acute risks).	The ETP unit which is a downstream activity of our business operation and based at Anakapalli, Andhra Pradesh faces highest risk due to extreme heat (chronic risk) and an increase in precipitation, potentially leading to excessive floods (acute risk).

ETP unit: Effluent Treatment Plant

For Transition Risks:

Transition risks stem from the shift to a low-carbon economy and may influence operating costs, market conditions, technology adoption, and stakeholder expectations. To address these evolving challenges, Laurus Labs continuously assesses climate-related transition risks and their potential financial and operational impacts. This ongoing evaluation helps strengthen strategic decision-making, improve resilience, and position the company to effectively manage emerging climate-related risks while capturing associated opportunities.

Transition Risk Category	Risk Type	Financial Impact	Mitigation
Policy and Legal	Disclosure Mandates	d. Increased spending on sustainability data management and reporting systems. e. Higher assurance, consulting, and compliance costs. f. Potential penalties and regulatory scrutiny from non-compliance.	- Strengthen ESG data governance and accountability. - Improve sustainability data collection and validation. - Implement centralized reporting systems.

			• Enhance supplier engagement and Scope 3 reporting. • Conduct regular assessments against evolving disclosure frameworks.
Technology	Low-Emission Manufacturing Transition	d. Higher transition costs from technology upgrades, workforce training, and process optimization. e. Increased energy and utility costs due to carbon pricing, renewable energy mandates, and environmental regulations. f. Higher production costs and margin pressure if competitors decarbonize faster.	• Increased renewable energy usage through captive solar power, power purchase agreements (PPAs), and investments in renewable energy projects. • Conversion of a coal-fired boiler to biomass fuel, with plans to expand the initiative to other viable operations. • Replacement of conventional screw chillers with energy-efficient centrifugal chillers, reducing electricity consumption and associated emissions.
Reputation	Growing stakeholder and investor preference for net-zero healthcare systems, particularly in key export markets	a. Reduced access to public healthcare tenders due to evolving supplier decarbonization requirements. b. Loss of market share and pricing power as customers prefer low-carbon suppliers. c. Increased capital expenditure for renewable energy, energy efficiency, emissions reduction, and climate reporting systems.	SBTi Validation & 1.5°C Alignment: Laurus Labs' GHG reduction targets have been validated by the Science Based Targets initiative (SBTi), aligned with the 1.5°C pathway, focusing on: • Scope 1 & 2: 42.0% absolute reduction from the FY 2024-25 base year • Scope 3: 51.6% reduction per ₹ value added • Target year: FY 2030-31

Market	Increasing Demand for Sustainable Pharmaceutical Manufacturing	c. Reduced revenue growth opportunities as low-carbon performance becomes a key customer and procurement criterion. d. Increased investment in carbon footprinting, emissions data management, and decarbonization initiatives to remain competitive.	• Increase renewable energy use and improve energy efficiency to reduce product carbon intensity. • Engage customers on decarbonization requirements and incorporate feedback into sustainability initiatives.
Market	Pricing pressure from carbon costs across value chain	• Higher raw material, packaging, and logistics costs from carbon pricing. • Increased procurement and supply chain expenses due to supplier cost pass-through. • Pressure on operating margins and profitability. • Higher working capital needs and reduced cash flows.	• Assess supply chain carbon cost exposure and diversify sourcing. • Optimize logistics to reduce carbon-related cost pass-through. • Engage suppliers to lower emissions across logistics and manufacturing.

Financial Risks of Climate Change (DJSI 2.5.8)

Indicator	Risk driven by changes in regulation	Risks driven by changes in physical climate parameters
Risk Description	Pricing pressure from carbon costs across value chain Laurus Labs faces growing transition risks from expanding carbon pricing, emissions trading systems, and transport decarbonization requirements across key export markets. These developments may increase the cost of raw materials, APIs, packaging, and logistics services as suppliers pass on carbon compliance costs. Given the company's exposure to regulated markets such as Europe and the US, its ability to transfer these additional costs to customers may be limited. As a result, higher procurement and logistics expenses could pressure operating margins, profitability, cash flows, and working capital requirements. The impact is expected to vary across transition pathways, with more stringent decarbonization scenarios leading to greater cost pass-through and financial exposure.	Water Stress Laurus Labs identifies water stress as a significant chronic climate risk that could increase the cost of water consumption across its operations. The assessment uses a shadow water pricing approach to estimate the economic impact of water scarcity and drought on manufacturing facilities. Rising water stress may lead to higher operating expenses, particularly for water-intensive production processes, affecting profitability and cash flows over the short, medium, and long term. As water

		availability declines, the economic value and cost of water are expected to increase, creating additional financial pressure on operations. The estimated financial impact is based on the absolute cost of water calculated through the physical climate risk assessment, which considers the potential effects of worsening water stress and drought conditions on business activities.
Estimated financial implications of the risk before taking action (INR)	Net Zero: ~ INR 2,263,370,000 Nationally Determined Contributions (NDCs): ~ INR 1,979,940,000	~ INR 165,312,870
Average estimated time frame (in number of years) for financial implications of this risk	5 Years	5 Years
Estimated annual cost associated with the risk	~INR 86,00,000	~INR 1,03,49,040

Climate-Related Scenario Analysis (DJSI 2.5.9)

Laurus Labs conducts organization-wide qualitative and quantitative climate-related scenario analysis covering transition and physical climate risks. Transition risks are assessed using the NGFS Net Zero 2050 and Nationally Determined Contributions (NDC) scenarios for both '2 degrees or below' and 'Above 2 degrees.' Physical risks are assessed using RCP 2.6/SSP1-2.6, RCP 4.5/SSP2-4.5 and RCP 8.5/SSP5-8.5 scenarios, covering acute and chronic risks such as extreme heat, flooding, wind events and water stress. The analysis covers the 2030-, 2040-and 2050-time horizons and informs climate-risk management, business resilience, adaptation planning, the climate transition plan and strategic and financial planning. The assessment uses NGFS, IPCC and global climate-model data, supported by location-specific analysis and relevant external tools and sources.

For Physical Risks Scenarios:

Laurus Labs conducted a climate risk assessment over different time horizons namely short-term (by 2030), medium-term (by 2040), and long-term (by 2050) encompassing climate scenarios for physical climate risks:

- **SSP1–2.6** represents an “low greenhouse gas (GHG) emission” (also called as “sustainability – taking the green road” or “optimistic”) scenario limiting the rise in average global surface temperatures to ~ **1.5°C** (1.3° - 2.4°C) by the end of 21st century due to global efforts to reduce emissions. SSP1–2.6 scenario which means the radiative forcing level reaches to 2.6 Watts per square meter (W/m²) by 2100.
- **SSP 2-4.5** represents an “intermediate/medium GHG emissions” (also called as “middle of the road” or “business-as-usual”) scenario with rise in average global surface temperatures to ~ **2.7°C** (2.1° – 3.5°C) by the end of 21st century. SSP 2-4.5 scenario which means the radiative forcing level reaches to ~4.5 W/m² by 2100.
- **SSP5–8.5** being a very high GHG emissions mainly by fossil fuels development, and minimal to no efforts to reduce emissions (also called as “fossil-fuel development—taking the highway”, “worst case” or “pessimistic”) scenario with the rise in average global surface temperatures to ~ **4.4°C** (3.3° - 5.7°C) by the end of 21st century. SSP 5-8.5 scenario which means the radiative forcing levels reaches to ~8.5 W/m² by 2100.

For Transition Risks Scenarios:

- **Nationally Determined Contributions (NDCs)**: Represents a moderate transition pathway where countries meet current Paris Agreement commitments through gradual policy strengthening, moderate carbon pricing, and increased adoption of low-carbon energy sources.
- **Net Zero 2050**: Represents an accelerated decarbonization pathway aimed at achieving net-zero emissions by 2050 through rapid renewable energy deployment, electrification, carbon capture technologies, and higher carbon prices.

Physical Climate Risk Adaptation (DJSI 2.5.10)

Laurus Labs have context-specific and location-specific physical climate risk adaptation plan. The risk assessment and mitigation/adaptation plan implemented by Laurus Labs covers 100% of our current operations. Based on the assessment outcomes, we have planned the phased implementation of adaptation strategies over a period of less than five years to address the physical risks affecting the business units. Our Risk assessment exercise included 100% of our new planned sites and as per the study physical risk management plan is developed. In addition, Laurus Labs has initiated several adaptation measures aimed at strengthening resilience and enhancing preparedness against the identified risks:

Energy Efficiency: Laurus Labs has set company-wide absolute emissions science-based reduction targets, which encompass a 100% reduction by 2050 for Scope 1, Scope 2 and Scope 3 emissions (with 2021 as a base year) respectively. In this pursuit, some of the initiatives undertaken by Laurus Labs in FY26 include:

- **Energy Resilience and Resource Efficiency:** Continued implementation of energy efficiency initiatives, process optimization measures, and deployment of energy-efficient technologies across operations to improve operational resilience and reduce resource consumption.
- **Renewable Energy Adoption:** Increased use of renewable energy through captive solar power generation and power purchase agreements, enhancing energy security and reducing dependence on conventional energy sources.
- **Infrastructure and Utility Optimization:** Modernization and optimization of utility systems, including cooling, pumping, and process infrastructure, to improve reliability and operational efficiency.

Water Management: As a pioneer in responsible water stewardship, Laurus Labs acknowledges the need to optimize freshwater use and enhance water efficiency across the operations. The approach undertaken focuses

on recycling and reuse technologies, ensuring water management practices that support both sustainability and operational needs. Therefore, some of the initiatives undertaken by Laurus Labs in FY26 include:

- **Water Conservation and Reuse:** Continued implementation of water recycling, reuse, and recovery initiatives to reduce freshwater dependency and enhance resilience to water-related climate risks.
- **Wastewater Treatment and Reuse:** Expansion of treated wastewater reuse across operations, including utility and non-process applications, supporting long-term water security.
- **Business Continuity and Climate Resilience:** Ongoing investments in operational efficiency and resource management to strengthen preparedness against the potential impacts of climate-related disruptions.

Emissions Reduction Targets (DJSI 2.5.11)

Laurus Labs has adopted a company-wide absolute emissions science-based near-term target for Scope 1, Scope 2, and Scope 3 emissions.

Scope Covered by Target	Timeframe	Baseline year emissions covered and as a % of total base year emissions	% reduction target from base year
Scope 1 + 2 combined	Base Year: 2024-25 Target Year: 2030-31	Base year emissions 5,23,902 (MtCO ₂ e) Percentage of total base year emissions 100%	42.0% absolute reduction in GHG emissions from the FY 2024-25 base year
Scope 3	Base Year: 2024-25 Target Year: 2030-31	Base year emissions 3,74,685 (MtCO ₂ e) Percentage of total base year emissions 100%	51.6% reduction in GHG emissions per ₹ value added from the FY 2024-25 base year

Internal Carbon Pricing (DJSI 2.5.12)

Laurus Labs has established near-term greenhouse gas (GHG) emission reduction targets and strengthened ESG governance through the formation of an ESG Committee to oversee climate-related initiatives and performance. As part of its decarbonization roadmap, the Company is actively identifying emission reduction opportunities across operations, energy consumption, and value chain activities. To support informed decision-making and drive low-carbon investments, Laurus is evaluating the integration of climate-related costs into its business planning processes. The Company recognizes Internal Carbon Pricing (ICP) as a valuable tool for assessing transition risks, prioritizing emission reduction projects, and enhancing long-term climate resilience. As its climate strategy and emissions management framework continue to mature, Laurus intends to develop and implement an appropriate Internal Carbon Pricing mechanism in the near future to support the achievement of its sustainability and emissions reduction objectives.

Net-Zero Commitment (DJSI 2.5.13)

Laurus Labs has established Science Based Targets initiative (SBTi)-validated near-term GHG emission reduction targets aligned with the 1.5°C pathway targets but didn't publicly commit to reaching net-zero GHG emissions. The Company has committed to reducing absolute Scope 1 and Scope 2 emissions by 42.0% from the FY 2024-25 base year and reducing Scope 3 emissions by 51.6% per unit of value added by FY 2030-31. These targets provide a clear decarbonization roadmap and reinforce the Company's commitment to climate action and stakeholder accountability. Laurus Labs is currently focused on achieving these science-based targets through operational improvements, energy efficiency initiatives, renewable energy adoption, and value chain

engagement. While the Company has not yet publicly announced a net-zero target, it continues to evaluate its long-term climate ambitions as part of its evolving sustainability strategy.

Net-Zero Transition Plan (DJSI 2.5.14)

Laurus Labs Limited has a climate transition plan aligned with the Paris Agreement goal of limiting global warming to 1.5°C. The Company's near-term emissions-reduction targets, covering Scope 1, Scope 2 and relevant Scope 3 emissions against an FY2024-25 base year, have been validated by the Science Based Targets initiative (SBTi). The plan is overseen by senior management and the Risk Management and ESG Committee.

Key decarbonization actions include fuel switching, renewable-energy adoption, energy-efficiency improvements, electrification where feasible, emissions-intensity reduction, improved energy management and engagement with suppliers and other value-chain stakeholders to identify Scope 3 reduction opportunities. The transition roadmap is expected to reduce combined Scope 1 and Scope 2 emissions from 327,998.15 tCO₂e in FY2024-25 to 195,903.62 tCO₂e by FY2030-31.

Laurus Labs assesses transition-aligned capital expenditure using an internal climate-transition assessment based on its decarbonization model. During the reporting year, INR 10 million, representing approximately 0.1% of total CAPEX, was assessed as aligned with the transition plan. The Company expects the transition-aligned share of CAPEX to increase to approximately 7% by 2030 and 10% by 2035. Eligible investments include renewable energy, energy efficiency, fuel switching, electrification and climate-resilience measures.

The plan is informed by NGFS and IPCC climate scenarios and includes stakeholder engagement through suppliers, industry associations, including CII, and relevant public-policy and regulatory forums. Social considerations, including employee health and safety, training, human rights, responsible supply-chain practices and community impacts, are considered in implementing the transition. Progress is monitored through emissions, energy, renewable-energy, efficiency and transition-aligned CAPEX indicators and is periodically reviewed by the Risk Management and ESG Committee.

Biodiversity

Laurus Labs prioritizes biodiversity conservation as a key element of strategy for environmental sustainability and reducing the carbon footprint. This commitment is reinforced by our Biodiversity and No-Deforestation Policy, which focuses on protecting local flora and fauna.

Key initiatives undertaken in FY26:

- Promotion of biodiversity conservation through awareness programs for our workforce, celebrating days like World Environment Day and Biodiversity Day with workshops and activities.
- Collaboration with local environmental bodies, such as the Andhra Pradesh Pollution Control Board, supports community initiatives like beach clean-ups and tree-planting campaigns.
- Conducted plantation drives and environmental awareness programmes across locations
- Participated in community-led environmental activities in collaboration with local bodies and stakeholders
- Continued initiatives to improve environmental awareness among employees and local communities

Biodiversity Risk Assessment (DJSI 2.6.1)

Laurus Labs has undertaken a biodiversity risk assessment covering all its operations to identify biodiversity-related risks, evaluate potential impacts, and implement measures to mitigate adverse effects on biodiversity, including habitat degradation, pollution, ecosystem disruption, etc. The assessment was conducted using a structured approach based on five key pillars:

- **Desk Research:** Assessment of the existing scenario of flora and fauna profile in the region through databases and other available sources.

- **Data Collection:** Collection of information through both primary (direct field observation, group discussion, interviews, etc.) and secondary sources (EIA & other site-specific documents)
- **Defining Indices:** Selection and application of key biodiversity indices, including the Shannon-Wiener diversity index, for each sampled location.
- **Data Analysis:** Compilation and analysis of data obtained from satellite imagery, vegetation mapping, and field visits. The resulting dataset was used to calculate biodiversity indices, interpret findings, and identify key outcomes and action areas.
- **Reporting:** Communication of assessment findings to stakeholders and outline of the strategies adopted by the Company to address and mitigate identified biodiversity risks.

Based on the assessment, there were no Rare or Endangered or Endemic or Threatened (REET) category floral species of aquatic and semi-aquatic plants and faunal species, referring to IUCN, Red Data Books of the Botanical Survey of India, and Wildlife Schedule I and II in assessed sites. Biodiversity levels were observed to be very low to nominal across the assessed sites, irrespective of industrial activities.

Biodiversity Commitment (DJSI 2.6.2)

Laurus Labs has established a [biodiversity policy](#), endorsed by executive management, which applies to both its operations and supply chain partners. The policy encompasses several key aspects, including the achievement of a net positive impact (NPI) on biodiversity, the establishment of biodiversity-related targets for priority areas to support a no net loss approach, commitment across the value chain to avoid operational activities in proximity to sites of global or national biodiversity significance, application of the mitigation hierarchy, conduct of biodiversity risk assessments, and stakeholder engagement on biodiversity-related matters.

No Deforestation Commitment (DJSI 2.6.3)

Laurus Labs has established a [no deforestation policy or commitment](#) endorsed by executive management, with a focus on achieving no net deforestation through future reforestation and restoration efforts. The scope of this commitment extends across the Company's operations, suppliers, and business partners.

Product Stewardship

Product Design Criteria (DJSI 2.7.1)

Laurus Labs considers environmental criteria in the development of new products (and services) on the following indicators:

Indicators	Information/Initiatives
Choice of raw materials or components that have a lower environmental footprint (e.g. reduced water/energy/material use, increase in renewable raw materials, reduction of hazardous substances and toxic materials)	Laurus Labs continues to advance sustainable pharmaceutical development through the ongoing enhancement of its R&D platforms: • Continuous flow technology: Continued investments have been made to improve efficiency, safety, and sustainability. Laurus Labs has further strengthened its capabilities through the adoption of advanced flow screening instruments and commercial-scale continuous flow reaction technologies. We successfully carried out a project on a ton scale, utilizing flow reactors designed in-house and operating at high temperatures and high pressures. During FY26, Laurus Labs witnessed a 42% increase in Continuous Flow Reaction projects. • Bio-catalysis and fermentation: Strengthened enzymatic technology capabilities. During FY26, we added four bio-catalysis projects for green synthesis of small molecules, reflecting about a 50% increase.

	Process technology: Enhanced platforms for green chemistry and efficiency improvement, optimizing cost and raw material usage. During FY26, our small molecule R&D platform supported over 68 projects across drug substances and drug products.
Direct operations, production & manufacturing (e.g. reduction of emissions/energy/water use/waste generation)	During FY 2025-26, Laurus Labs implemented energy-efficiency measures across lighting, cooling and utility systems. Key initiatives included transitioning to LED lighting across facilities, optimizing cooling towers through Variable Frequency Drives, thermostats, centrifugal chillers and EC blowers, and replacing screw chillers with energy-efficient centrifugal chillers. The Company also connected Utility-1 and Utility-2 to enable a single chiller to support MB-5, MB-6A and MB-4 during lower-load periods. Additional measures included pressure-control pumps, lighting timers, on/off control valves for specified AHUs, IE3 pumps and plans to progressively adopt higher-efficiency IE4 and IE5 motors. Renewable-energy use was increased through captive solar power and power purchase agreements. Collectively, these initiatives delivered energy savings of 3,819,211 kWh , while renewable-energy generation reached 3,031,547 kWh during the year.
Distribution, storage and transportation (e.g. increased safety, packaging choice, or reduced environmental impact)	Scope 3 emissions, which include indirect emissions from activities such as transportation and the production of purchased goods and services, represent a significant portion of the carbon footprint. Laurus Labs is actively focused on reducing these emissions through supply chain localization initiatives, which help shorten transportation distances for raw materials and reduce related emissions.
Use phase - operation and servicing/maintenance (e.g. provides energy/water/material savings, increased product durability)	Laurus Labs has adopted a range of advanced manufacturing technologies, including continuous flow chemistry and precision fermentation, which have enhanced the efficiency and sustainability of our production processes. These technologies support more efficient, scalable, and cost-effective manufacturing, enabling us to meet the growing global demand for medicines while maintaining high-quality standards. In addition, Laurus Labs has undertaken the development of several novel enzymes for biocatalysis with the strategic objective of strengthening technology capabilities and advancing sustainable platforms.
End-of-life management (e.g. recovery, disposal, biodegradation)	Laurus Labs collaborates with authorized vendors to ensure the responsible disposal and recycling of hazardous waste. We send a substantial portion of hazardous waste is directed to cement plants for co-processing, helping to minimize the quantity of waste sent to landfills. We continue to prioritize recycling and reuse across all non-hazardous waste streams, including organic waste, which is composted on-site. In FY26, 37,449 tonnes of waste was recycled or reused. We have focused on recovering solvents from aqueous layers, previously disposed of as effluents. Through partnerships with specialized recovery agencies, we repurposed approximately 89,036 KL of wastewater. To further strengthen waste management at the source, Laurus Labs operates an in-house waste treatment plant.

Life Cycle Assessment (DJSI 2.7.2)

In FY2024-25, Laurus Labs initiated a Product Carbon Footprint (PCF) assessment of six active pharmaceutical ingredient (API) products, which are used for medicinal products to control HIV infections, namely, Tenofovir, Dolutegravir, Lamivudine, Efavirenz ELT, Abacavir Sulfate CABS-3, and Enzalutamide AEZM-3. These products

essentially form **52.19%** of our total product portfolio by Volume. A cradle-to-gate assessment is conducted, which includes the environmental impacts of products in the form of carbon emissions from the cradle (raw material production) to the gate (until the stage at which the product is ready for formulation before it is transported) phase.

The selected products were chosen as they constitute a significant component of Laurus Labs' sales strategy, revenue generation, and customer demand, which is reflected operationally through sustained and volume-driven production. These selected products contributed **52.19%** of the total product portfolio in terms of volume.

The assessment was conducted by an independent external agency using professional software for LCA modelling in accordance with ISO 14040 (principles and framework for LCA), ISO 14044 (requirements and guidelines for LCA), ISO 14067 (Requirements and Guidelines for Carbon footprint of Products), and GHG Product Life Cycle Accounting Protocol. The assessment was undertaken to quantify life cycle greenhouse gas emissions across the cradle-to-gate boundary, identify emission hotspots and mitigation opportunities, and communicate the findings to external stakeholders.

The impact categories evaluated under the assessment included resource use such as abiotic depletion, land use, and water depletion; ecological impact categories including acidification, dust and particulate matter, ecotoxicity, eutrophication, global warming, ozone depletion, photochemical ozone formation, and species richness; and human health-related categories such as human toxicity and ionizing radiation. The results provided insights into the environmental impact associated with the production of one tonne of the respective products, with a particular focus on global warming impacts arising from upstream activities and operational processes.

Exposure to Hazardous Substances (DJSI 2.7.3)

Laurus Labs' business model is primarily focused on the development and manufacture of pharmaceutical products, which generate at least 95% of its revenue. Accordingly, in line with the S&P DJSI requirements, the assessment of product exposure to hazardous substances and a risk assessment of the product portfolio are considered **not applicable** to Laurus Labs.

Social Dimension

Labour Practices

Labour Practices Commitment (3.1.1)

The scope Laurus' labor practices commitment extends to the following groups:

- **Own Operations:** All employees across manufacturing, R&D, corporate, and field functions.
- **Contractors:** Third-party labor providers are expected to comply with Laurus labor standards.
- **Partners:** Strategic partners and suppliers are expected to align with Laurus ethical labor expectations through contractual obligations and periodic assessments

Laurus' labor practices reflect a strong commitment to fair, safe, and equitable working conditions across its own operations and supply chain. The commitment includes the following key aspects:

- **Paying a Living Wage:** We are committed to ensuring that employees in all locations where we operate receive fair living compensation, inclusive of various allowances, that is well above statutory requirements. Our approach is supported by strong governance, independent benchmarking, and data-driven decision-making. Details regarding fair pay are also covered in our Remuneration Policy.

Employees are provided with a living wage covering basic needs such as food, housing, healthcare, education, and transportation, excluding bonuses or overtime payments. Laurus' compensation philosophy is built on the principles of being market-competitive, performance-driven, and socially responsible. We view compensation as more than a transactional element of employment and consider it an important means of fostering equity, inclusion, and human dignity. We incorporate annual assessments of inflation and cost of living into our pay planning and budgeting processes. These structured approaches help ensure that our remuneration practices remain aligned with external economic conditions and socio-economic realities, while reflecting our commitment to fairness, dignity, and sustainable employment.

Please refer to Laurus Labs' Remuneration policy attached [here](#).

- **Avoiding Excessive Working Hours and setting maximum working hours:** To support the health and wellbeing of employees and contract workers, we maintain defined controls on working hours while ensuring transparency and appropriate compensation for overtime work. Our overtime management practices are designed to promote work-life balance, minimize excessive working hours, and clearly establish maximum working hour requirements.

For instance, our Leave policy defines that shifts are designed to align with a standard 8 hour workday ensuring the employees do not exceed maximum working hours. Regular monitoring reinforces adherence to these schedules, preventing excessive work periods.

We actively monitor working hours and manage overtime to help prevent employee fatigue and burnout. Clear limits on daily and weekly working hours have been established in accordance with applicable labour laws and regulations.

- **Equal Remuneration for Men and Women:** We believe in equal pay for equal work for men and women and are committed to promoting gender pay equity across all management roles and levels.

Our Remuneration Policy outlines that fixed compensation is determined based on the size and scope of the role, as reflected by the job level or grade, market trends relating to the value of the role, and the employee's

skills, experience, and performance. Fixed compensation includes basic salary, housing allowance, leave travel allowance, and cash allowance.

Please refer to Laurus Labs' Remuneration policy attached [here](#).

At Laurus, we are committed to ensuring that compensation practices are fair, consistent, and free from bias, thereby supporting equal remuneration for men and women regardless of gender or background, as outlined in our Human Rights Policy.

Please refer to Laurus Labs' Human Rights Policy attached [here](#).

Our Code of Conduct further reinforces our commitment to equal opportunity. Laurus believes that all employees should have access to equitable opportunities and fair treatment. We maintain equity and fairness across recruitment, placement, training and development, promotion, compensation, and assignment opportunities, both in India and internationally.

- **Paying for Annual Leave:** Our approach to working hours is complemented by a comprehensive leave policy that supports employee well-being through adequate time for rest recovery, and personal commitments. We believe that providing employees with guaranteed paid leave entitlements contributes to improved productivity, engagement, and overall wellbeing.

Employees are informed of their entitlements, ensuring transparency and compliance with payment for annual leave. Weekly offs and compensatory offs are also structured to allow rest and recovery, contributing to work-life balance.

- **Minimum Consultation/Notice Periods Before Mass Terminations:** At Laurus, we do not support or promote mass terminations. In exceptional circumstances where workforce reductions become necessary due to unforeseen circumstances, we are committed to managing the process with the highest degree of empathy and integrity. In such events, employees are provided with a minimum notice period of 60 to 90 days, ensuring transparency and adequate time for transition. We are committed to responsible restructuring practices through timely communication, advance notice, and appropriate consultation with affected employees.

Labor Practices Programs (3.1.2)

The following aspects must be covered in the document:

- **Ensure wages meet or exceed cost-of-living standards** - We are committed to ensuring that all workers receive wages that support an adequate standard of living and exceed minimum wage. Employees are provided with a living wage that covers basic needs such as food, housing, healthcare, education and transportation, excluding bonuses or overtime. Laurus' compensation philosophy is founded on the principles of market competitiveness, performance orientation, and social responsibility. We view compensation as an important tool for promoting equity, inclusion, and human dignity beyond the traditional employment relationship. Across all our operating geographies, we remain committed to providing fair living wages that exceed statutory requirements. Our approach is supported by strong governance, independent benchmarking, and data-driven decision-making.
- **Monitor working hours, including overtime, ensuring employees are compensated for overtime work** - At Laurus, we ensure that employees receive appropriate compensation for overtime work in accordance

with location-specific policies and applicable regulations. Within our India operations, eligible hourly or non-exempt employees are compensated at twice their ordinary rate for overtime hours, in line with legal requirements. We maintain a comprehensive overtime management policy that facilitates monitoring of working hours and ensures fair compensation for all overtime work performed.

- **Regularly consult with worker representatives regarding working conditions** – While Laurus Labs doesn't practically have a workers' union. However, we do have provisions in place to regularly connect with the workers/contractors to understand any grievance they may have related to working conditions. Our HR systems monitor daily and weekly working hours to support compliance requirements and help prevent overwork. We continuously train HR and line managers on overtime regulations and ethical scheduling practices. Laurus Labs' approach to working hours and overtime management reflects its commitment to employee wellbeing, legal compliance, and ethical labour practices.
- **Routinely monitor and address the gender pay gap to ensure equal pay for equal work** - We comply with all applicable statutory norms relating to working hours and overtime. The company monitors employee schedules and ensures that any additional hours worked are appropriately recorded and fairly compensated in accordance with labour laws and internal policies. We avoid excessive working hours, and this is part of our broader commitment to human rights and workplace safety. Our Human Rights Policy provides our commitment to freedom from discrimination and right to equality between men and women. The policy can be accessed at [here](#).
- **Provide social protection benefits beyond government-mandated programs** - We provide a range of social protection benefits that extend beyond government-mandated programs, including life Insurance, health insurance, accident insurance, paid parental leave including both maternity & paternity leave, day-care facilities, and sick leave. As mentioned in our [remuneration policy](#), based on the grade and seniority of employees, benefits that are provided include Health insurance (hospitalization), accident and life insurance, and contributions to super-annuation funds.
- **Ensure employees utilize their paid annual leave entitlements** - Our leave policy is designed to ensure that employees can utilize their paid annual leave entitlements, promoting rest and well-being. The policy encourages employees to take time off for rest and rejuvenation, enabling them to effectively balance personal and professional commitments while maintaining overall well-being.
- **Offer training and reskilling opportunities to mitigate the negative impacts of industrial or climate-related transitions** - Recognizing the evolving impacts of industrial and climate transitions, Laurus continues to invest in reskilling and upskilling initiatives to future-proof our workforce around the year. These programs include digital literacy and automation training, sustainability and ESG-focused learning modules, climate awareness programs, and transition support for employees whose roles may be affected by decarbonization initiatives or process changes. This approach helps employees remain adaptable, resilient, and equipped with relevant skills in a changing business environment.

Discrimination and harassment (DJSI 3.1.3)

Laurus Labs has a publicly available a [POSH \(Prevention Of Sexual Harassment\)](#) policy, [Non-Discrimination Policy](#), [Human Rights Policy](#), and Business Code of Conduct and Ethics Policy, which collectively establish a zero-tolerance approach to discrimination and harassment across the organization. The Non-Discrimination Policy prohibits discrimination in employment opportunities and practices based on race, color, religion, disability, national origin, genetic information, sex, age, sexual orientation, gender identity and expression, marital status, veteran status, citizenship status, or any other characteristic protected by law. The Human Rights Policy further

prohibits discrimination, harassment, retaliation, bullying, verbal abuse, and offensive behavior, while requiring all employees, contractors, and stakeholders to treat one another with dignity and respect.

Our policies explicitly prohibit both sexual harassment and non-sexual harassment. The POSH Policy defines sexual harassment, outlines prohibited behaviors, and affirms every individual's right to work in an environment free from violence, harassment, intimidation, gender-based discrimination, and sexual harassment. It also establishes an Internal Complaints Committee (ICC) and a structured grievance redressal and enquiry mechanism for reporting, investigating, and resolving complaints. Employees may report incidents through designated ICC members, Human Resources representatives, or specified reporting channels, with complaints investigated confidentially and in accordance with defined procedures.

Laurus Labs has established clear escalation and grievance mechanisms under both its POSH and Human Rights policies. The Human Rights Policy provides formal grievance channels for employees and external stakeholders to report concerns and commits to prompt investigation and remediation of reported issues. Employees are also encouraged to report unethical conduct, discrimination, harassment, or violations of company policies through designated reporting channels without fear of retaliation.

We support awareness and capability building through employee training programmes. The Human Rights Policy states that the policy is implemented through regular training and communication, while the Business Code of Conduct and Ethics Policy require all employees to receive training on the Code of Conduct and Ethics as part of induction and awareness programmes.

Laurus Labs also maintains defined corrective and disciplinary measures for substantiated violations. The POSH Policy specifies disciplinary action, including reprimand, suspension, termination of employment, and legal action where applicable, for employees found guilty of sexual harassment. The Human Rights Policy further states that violations of the policy will not be tolerated and may result in disciplinary actions, including termination of employment and legal action as appropriate. The Business Code of Conduct and Ethics Policy similarly provides for disciplinary action in cases involving discrimination, harassment, abusive conduct, or other violations of workplace standards

Workforce breakdown: Gender (DJSI 3.1.4)

Diversity Indicator	Percentage	Targets
Share of women in total workforce (as % of total workforce)	9%	10%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	8.77%	-
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	10.14%	-
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	4.52%	-
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	25%	-
Share of women in STEM-related positions (as % of total STEM positions)	0	-

We have undertaken a target of ensuring a share of 10% women in our total workforce by 2030.

Workforce breakdown: Race/Ethnicity (DJSI 3.1.5)

Breakdown	Share in total workforce (as % of total workforce)	Share in all management positions, including junior, middle and senior management (as % of total management workforce)
Asian	100%	100%
Black or African American	0	0
Hispanic or Latino	0	0
White	0	0
Indigenous or native	0	0
Other, please specify	0	0

Gender Pay Indicators (DJSI 3.1.6)

Employee Level	Average Women Salary (INR)	Average Men Salary (INR)
Executive level (base salary only)	6,756,722	9,904,978
Executive level (base salary + other cash incentives)	8,228,950	12,195,604
Management level (base salary only)	1,916,718	2,148,718
Management level (base salary + other cash incentives)	1,970,162	2,251,432
Non-management level (base salary only)	423,687	515,599

The company monitors and discloses the results of our gender pay gap analysis. This data covers 100% of our FTEs.

Breakdown	Difference between men and women employees (%)
Mean gender pay gap	22%
Median gender pay gap	28%
Mean bonus gap	7%
Median bonus gap	0%

Note – The data has been externally assured by a third-party agency named NQA Certification Limited (NQA).

Freedom of Association (DJSI 3.1.7)

Category	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)
Total Permanent Employees			
Male	NIL	NIL	-
Female	NIL	NIL	-
Total Permanent Workers			
Male	NIL	NIL	-
Female	NIL	NIL	-

Note – The data has been externally assured by a third-party agency named NQA Certification Limited (NQA).

Human Rights

Human Rights Commitment (DJSI 3.2.1) and Human Rights Due Diligence process (DJSI 3.2.2)

We engaged an independent third-party agency to undertake a comprehensive human rights due diligence assessment during the reporting period. As part of our commitment to respecting and upholding human rights, Laurus Labs periodically assesses potential human rights impacts associated with its operations and stakeholder relationships. During the reporting period, we engaged a reputable independent third-party agency to carry out a detailed human rights due diligence assessment.

The assessment covered six facilities in Andhra Pradesh and examined human rights-related risks across our operations, products, services, and supply chain activities. Areas reviewed included labour practices, occupational health and safety, environmental management, corporate ethics, freedom of association, fair wages, non-discrimination, prevention of child labour, and the provision of safe working conditions.

The assessment framework was based on the UN Guiding Principles on Business and Human Rights and the principles of the UN Global Compact. A mixed-methods approach was adopted, combining quantitative surveys with qualitative stakeholder inputs to develop a comprehensive understanding of potential human rights risks.

Beyond these assessments, Laurus Labs continues to strengthen its human rights risk management process through regular reviews and periodic updates of its human rights risk mapping, enabling the identification and mitigation of emerging risks across the value chain.

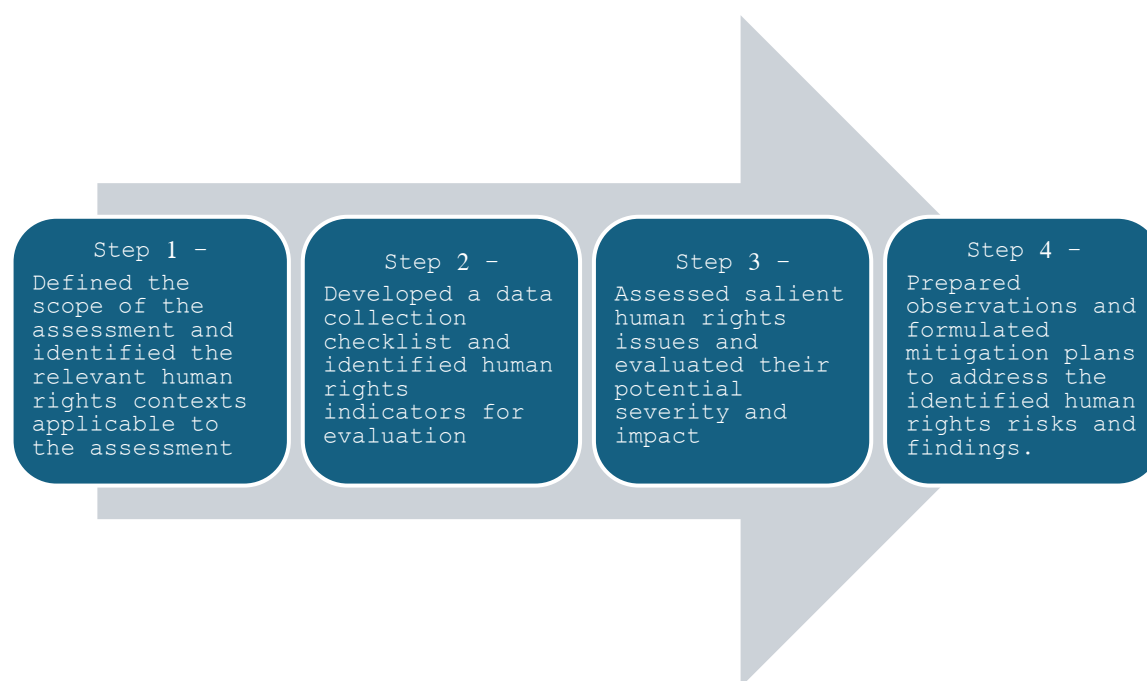
Focus of the assessment:

As part of its human rights' due diligence efforts, Laurus Labs conducted a comprehensive assessment to identify, evaluate, and address potential human rights impacts associated with its operations, supply chain, and business relationships, in line with internationally recognized human rights principles and standards. The assessment also included a detailed review of the Company's compliance framework to evaluate alignment with applicable laws, regulations, and industry benchmarks, covering areas such as regulatory compliance, healthcare and labour obligations, the Code of Conduct, ethical business practices, risk management, and internal control mechanisms.

In addition, Laurus Labs assessed the effectiveness of its grievance redressal mechanism for external stakeholders, including customers, vendors, and communities. We also conduct a fair assessment with any new potential mergers, acquisitions, or applicable joint ventures (if any) to ensure concerns are addressed in a transparent, accountable, and responsive manner while maintaining alignment with international standards and regulatory expectations. The assessment also considered human rights risks arising from new and evolving business relationships, including suppliers, contractors, strategic partnerships, mergers, acquisitions, and other business expansion activities, to ensure that human rights considerations are integrated into business decision-making and partner onboarding processes.

The assessment also considered the potential impacts of business activities on vulnerable stakeholder groups, including employees, women, children, migrant workers, contract and third-party workers, local communities, and indigenous or tribal communities where relevant to the operating context.

The following methodology was followed for the assessment:



Risk Assessment Criteria:

Areas Where Actual and Potential Risks May Arise	Business Implications / Risk Areas	Associated Human Rights
Freedom of expression	Decent working conditions and a safe working environment	Right to privacy
Freedom of association and collective bargaining	OJT (On-the-Job Training) and learning opportunities	Right to human dignity
Discrimination based on age, gender, caste, religion, class, or wages	Equal opportunities in recruitment and promotions	Right to equality
Risk management	Discrimination based on age, gender, caste, religion, class, or wages	Right to information

Supply chain and procurement	Environmental pollution	Freedom of speech and expression
Anti-bribery and corruption	Punishment and unfair treatment	Freedom of association
Human trials	Child labour, forced labour, human trafficking, modern slavery, exploitative labour practices, and migrant worker vulnerabilities.	Freedom of thought and religion
Customers	Whistleblowing	Right to health and safety
Security	Sexual harassment	Right to fair labour practices
Community	Maternity benefits	Right to assemble and protest (peaceful and unarmed)
Environment	-	Freedom from slavery and forced labour

The human rights risk assessment is conducted using the below 4X4 matrix which maps the severity of the risk and impact with the likelihood of its occurrence to determine the significance of the human right issues-based severity and likelihood.

Severity	4	Medium	High	High	High
	3	Medium	Medium	High	High
	2	Low	Low	Medium	High
	1	Low	Low	Medium	Medium
		1	2	3	4
		Likelihood			

Severity is further classified into Critical (significant impact to health and safety), High (moderate impact to H&S), Medium (slight impact to H&S) and Low (minor impact to H&S).

Likelihood is classified into Very Likely (occurs all the time), Likely (occurs very often), Unlikely (occurs rarely) and very unlikely (never).

Human Rights Assessment (DJSI 3.2.3)

We are committed to respecting and promoting human rights and fair labor practices across all areas of our operations. Our efforts are guided by a Human Rights Policy that is aligned with internationally recognized

frameworks, including the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. These principles are extended across our value chain, where we work towards eradicating child and forced labor and to foster a culture of respect and dignity.

Across the product lifecycle, from clinical trials through product development, we place strong emphasis on informed consent, data privacy, and the fair and equitable treatment of all participants. Ethical research practices remain integral to our approach, supporting innovation while reinforcing trust among stakeholders. Although formal labour unions are not present within our operations, we uphold employees' rights to raise concerns and express views without fear of retaliation, thereby promoting an open, inclusive, and respectful workplace environment.

Category	% of total assessed in last three years	% of total assessed where risk has been identified
Own Operations	100	0
Contractors and Tier 1 Suppliers	65	0

Human Rights Mitigation and Remediation (DJSI 3.2.4)

Through the Human Rights Due Diligence process, a range of mitigation and remediation measures were identified and planned to address potential human rights risks.

Labor (child, forced, etc.) rights:

- Evaluated opportunities for flexible work arrangements that align employee preferences with productivity requirements.
- Delivered targeted training programs to management on relevant legal and regulatory obligations.
- Developed and implement a dedicated policy for migrant workers where applicable.
- Continue to strengthen existing safety measures and undertake periodic audits.
- Enhanced the frequency of supplier site assessments and maintain ongoing monitoring beyond the initial onboarding process.
- Conducted regular on-site visits and incorporate human resource-related parameters into supplier audit processes.

Employee Health and Safety:

- Continuously monitor and periodically review escalation procedures.
- Maintain current safety standards supported by regular audit cycles.

Environmental Impact:

- Continue existing practices and carry out environmental impact assessments at defined intervals.

Governance Aspects

- Fully integrate human rights criteria into Supplier Code of Conduct evaluations.

- Deliver training on anti-corruption practices and the whistleblower policy.
- Encourage third-party contractors to adopt independent HR policies for their employees.
- Educate employees about their right to form welfare associations while sustaining grievance mechanisms.
- Strengthen awareness of grievance escalation channels and ensure procedural transparency.
- Update the POSH committee structure to comply with regulations and train its members.

Human Capital Management

Training & Development Inputs (DJSI 3.3.1)

Category	FY 2025-26
Average hours per FTE of training and development (hours)	30.84
Average amount spent per FTE on training and development (INR)	2292.78

Average training hours

Category	FY 2025-26
Management Level 1, 2 & 3	2.07
Permanent Workforce	3.00
Contract Workers	0
Interns	0
Male	3.29
Female	2.23

Nationality	Percentage
Indian	100%
Any other	NIL

Employee Development Programs (DJSI 3.3.2)

- Learning methods (externally/internally) offered for employee development include:

Coaching or Mentorship:

SANCHALAK – The Guide: A mentoring and career development initiative designed to strengthen leadership pipelines and support employee growth and development. The program promotes effective internal communication and encourages meaningful peer-to-peer engagement across the organization.

Teams and Networks (e.g. Employee Resource Groups)

Throughout the year, Laurus Labs conducts a range of training programs 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 which emphasizes emotional intelligence and personal development.

For L1-L4 Employees: The Pioneer Program for Levels 2,3 & 4 includes a batch of approximately 30 members. It comprises two-day workshops conducted every quarter (4 times annually) both offline and online.

For L5-L7 Employees: The Synergy Program for Levels 5,6 & 7 includes a batch of approximately 50 members. It comprises a one-day workshop twice a year, (2 times annually), 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. These initiatives support both individual development and team effectiveness, enabling employees to perform confidently in dynamic work environments. In addition, the programs provide a platform for knowledge sharing, cross-functional interaction, and collaborative learning.

b. Type of program offered for employee development includes:

- **Leadership development program**

Leadership Development Program (LDP) As part of its leadership succession and capability-building efforts, the organization has identified two leadership cohorts: a select group of the top 10 leaders who work closely with the current leadership team, and a broader group of approximately 40-50 critical leaders earmarked for focused development under the theme "Preparing Leaders for the Future."

To support this initiative, Laurus has partnered with High Places to design and implement a structured leadership development journey. As an initial step, one-on-one discussions were conducted with 5-8 senior leaders to gather perspectives and insights. Based on these interactions, a tailored development framework and roadmap will be designed for the identified leadership groups.

The program includes focused engagements with the existing leadership team to define expectations from future leaders and their successors. It will also encompass a range of development interventions for emerging leaders, including leadership assessments, diagnostic tools, group learning exercises, and individual development initiatives. For the second tier of leadership, targeted interventions will focus on behavioural and functional capability enhancement, supported by feedback, assessments, and individualized development plans based on identified critical competencies. The program further seeks to strengthen leadership effectiveness through structured assignments, continuous monitoring, and ongoing coaching and guidance mechanisms.

Cultural Education: As part of our commitment to fostering an inclusive and diverse workforce, we conduct annual refresher training the Code of Conduct and Non-Discrimination Policy for all employees. Participation in these training sessions is mandatory.

- **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 30 to 34 members is 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 feedback, 10 responses from his peers, cross-functional teams, and subordinates.

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

Step 3: Learning Intervention - A 12 Month comprehensive Intervention with a 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

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

Human Capital Return on Investment (DJSI 3.3.3)

Category	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
a) Total Revenue (INR)	60,41,99,00,000	50,61,56,00,000	52,16,98,00,000	60,89,07,00,000
b) Total Operating Expenses (INR)	44,48,36,00,000	42,63,33,00,000	42,72,65,00,000	46,50,81,00,000
c) Total employee-related expenses (INR)	4,96,57,00,000	6,39,93,00,000	6,08,64,00,000	7,57,86,00,000
Resulting HC ROI (a - (b-c)) / c	4.20928	2.24737	2.55154	2.89779
Total Employees	5,753	6,007	6,167	7,053

Hiring (3.3.4)

New Hires

Category	Employees	Unit	FY 2025-26
Management	Male	No.	15
	Female		0
	<30		0
	30-50		11
	>50		4
Other employees (non-management staff)	Male	No.	1,313
	Female		191
	<30		1,224
	30-50		280
	>50		0
Permanent work staff (unionized employees or workmen)	Male	No.	0
	Female		0
	<30		0
	30-50		0
	>50		0
Contract workers	Male	No.	7,274
	Female		5
	<30		3,298
	30-50		3,969
	>50		12
Others (Interns, trainees/apprentices, part-time employees, etc.)	Male	No.	18
	Female		7
	<30		25
	30-50		0

	>50		0
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Nationality	Percentage
Indian	100%

Note – The data has been externally assured by a third-party agency named NQA Certification Limited (NQA).

Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total number of new employee hires	No	1,074	702	1,108	1,519
Percentage of open positions filled by internal candidates (internal hires)	%	10	11	9	10
Average hiring cost/FTE (INR)	INR	877	826	1,091	1,132

Employee Turnover Rate (3.3.5)

Category	Employees	Unit	Employee Turnover Nos. FY 2025-26
Management	Male	No.	8
	Female		0
	<30		0
	30-50		4
	>50		4
Other employees (non-management staff)	Male	No.	622
	Female		50
	<30		442
	30-50		219
	>50		11
Permanent work staff (unionized employees or workmen)	Male	No.	0

	Female		0
	<30		0
	30-50		0
	>50		0
Contract workers	Male		4,755
	Female		2
	<30	No.	2,442
	30-50		2,289
	>50		26
Others (Interns, trainees / apprentices, part time employees etc.)	Male		0
	Female	No.	0
	<30		0
	30-50		0
	>50		0

Nationality	Percentage
Indian	100%

Note – The data has been externally assured by a third-party agency named NQA Certification Limited (NQA).

Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total Employee Turnover Rate	%	19	17	17	9.62
Voluntary Employee Turnover Rate	%	19	17	17	9.62
Data coverage (as % of all FTEs globally)	%	100	100	100	100

Note: the data for both total employee turnover rate and voluntary turnover rate is the same. The company did not do any mass terminations nor was there any involuntary exit.

Long-Term Incentives for Employees (DJSI 3.3.6)

Laurus Labs offers long-term incentive programs through its Employee Stock Option Schemes (ESOP 2016, ESOP 2018 and ESOP 2021). Under these schemes, eligible employees are granted stock options that vest over a multi-year period, typically ranging from four to five years, subject to continued employment and other applicable conditions. Upon vesting, employees may exercise the options and acquire equity shares of the Company, thereby aligning employee interests with the Company's long-term growth and value creation objectives.

The ESOP programs are applicable to eligible employees across the organization, including employees below the senior management level, and are designed to support employee retention, engagement, and long-term participation in the Company's performance. During FY 2025-26, Laurus Labs continued to grant, vest, and allot shares under the ESOP schemes to eligible employees, reinforcing its commitment to rewarding long-term contribution and fostering an ownership culture across the workforce.

The Company allotted 6,04,091 equity shares to eligible employees under ESOP 2016, ESOP 2018 and ESOP 2021 during FY 2025-26.

Employee Support Programs (DJSI 3.3.7)

Employee Benefits:

- **Workplace Stress Management:** At Laurus Labs, we are committed to fostering a supportive and stress-free work environment for our employees. We place strong emphasis on holistic wellness, including mental health and regularly conduct training sessions, awareness sessions and workshops focused on workplace stress management. At Laurus, employee well-being goes beyond workplace benefits to embrace a holistic approach encompassing physical, emotional, mental and financial wellness. We strive to create a supportive environment where employees and their families can thrive at every stage of their personal and professional journeys.

Strengthening Mental and Emotional Well-being: Our Employee Assistance Programme (EAP), "A Happier and Healthier You," continued to play a key role in fostering employee well-being. Delivered in collaboration with external experts, the programme offers confidential counselling and support services to employees and their family members, covering areas such as stress management, emotional health, work-life balance and personal challenges.

To ensure easy access to professional support, qualified counsellors conducted regular sessions across locations, enabling employees to seek guidance in a safe and comfortable setting. The programme was further complemented by monthly workshops focused on mental wellness, behavioural awareness and personal development, equipping employees with practical tools to strengthen resilience and navigate both workplace and personal challenges effectively.

- **Sports and health initiatives:** To reinforce our focus on preventive healthcare, a dedicated dietician role was introduced during the year. The dietician evaluates meals prepared in our in-house kitchens to ensure balanced nutrition and conducts awareness sessions across locations, encouraging healthy eating habits and lifestyle choices. Employee wellness infrastructure was also strengthened through the addition of well-equipped gyms and shuttle courts at plant locations. Certified trainers support these facilities by guiding employees on various fitness activities, fostering healthier and more active lifestyles.
- **Work Conditions:** At Laurus Labs, we recognize the value of workplace flexibility in supporting employee well-being. As an employer responsible, we offer flexible working arrangements, including flexible working hours, work-from-home options, and part-time work opportunities where applicable. These initiatives help employees maintain an effective balance between their professional responsibilities and personal

commitments. The Employee Assistance Programme (EAP), “A Happier and Healthier You,” continued to expand its impact during the year. Delivered in collaboration with external specialists, the programme offers confidential counselling and support services to employees and their families on matters such as stress management, emotional wellness, work-life balance and personal concerns. Qualified counsellors remained available across locations through scheduled sessions, enabling employees to access support comfortably and discreetly. In addition, monthly workshops on mental well-being, behavioural awareness and personal growth helped employees enhance resilience and maintain a positive approach in both their professional and personal lives.

We also conduct regular employee engagement surveys, Laurus collaborated with Great Place to Work to evaluate employee engagement using the Trust Index and Culture Audit framework. The employee survey, named DARPAN (meaning mirror), reflects our commitment to gaining authentic insights into employee experiences through openness and transparency. Conducted over a two-week period in July 2025, achieved an impressive 96% response rate, and was administered online in English, Hindi and Telugu. Laurus achieved a Trust Index score of 83, reaffirming its status as a Great Place to Work® Certified organisation for the sixth consecutive year.

- **Family Benefits:** Laurus Labs is committed to supporting employees through a range of family-focused benefits and care initiatives designed to promote work-life balance and overall well-being.

We provide 26 weeks of paid parental leave to primary caregivers and one week of paid leave to non-primary caregivers, enabling employees to spend meaningful time with their families during important life events. In addition, employees and their families are covered under comprehensive health and insurance benefits, including maternity-related support. In addition to this we also have Adoption leave which is available for eligible employees. In line with the policy, female employees who legally adopt a child below the age of three months, as well as commissioning mothers, are entitled to maternity benefits for a period of 12 weeks from the date the child is handed over to them. This provision supports employees in managing parental responsibilities and facilitating a smooth transition into caregiving following adoption or surrogacy arrangements.

- To assist employees in managing caregiving responsibilities, we provide access to day-care facilities and childcare support, creating a more inclusive and family-friendly workplace. Through these initiatives, Laurus seeks to foster an environment where employees can balance their professional aspirations with family commitments, supporting their well-being, inclusion and long-term career growth. We provide crèche facilities to support employees with young children, helping working parents balance their professional and caregiving responsibilities. In addition, dedicated breastfeeding rooms are available, offering a private, safe, and hygienic space for nursing mothers to breastfeed or express milk comfortably during working hours.

Category / types of benefits provided	Unit	Permanent employees	Temporary employees
Life insurance	Yes/No	No	No
Health care	Yes/No	Yes	No
Parental leave (maternity (primary caregiver) leave for 26 weeks)	Yes/No	Yes	Nil

Parental leave (paternity (non-primary caregiver) leaves for 1 week)	Yes/No	Yes	Nil
Paid family or care leave beyond parental leave - Adoption leave	Yes/No	Yes	Nil
Family Care	Yes/No	Yes	Yes
Flexible Working Hours	Yes/No	Yes	Nil
Work from home and part-time arrangements (when applicable)	Yes/No	Yes	Nil
Stock ownership	Yes/No	Yes	No
Transportation	Yes/No	Yes	Yes
Food allowance	Yes/No	Yes	Yes

Types of performance appraisal (DJSI 3.3.8)

Our performance management system incorporates regular check-ins and adaptable goal settings to remain responsive to evolving market conditions. This approach enables timely course corrections and continuous feedback.

Category	Available (Yes/ No)	Frequency
Management by objectives	Yes	At least yearly
Multidimensional performance appraisal (e.g. 360-degree feedback)	Yes	At least yearly
Agile conversations	Yes	At least yearly

Team based performance appraisal: Refers to a system where employees are assessed as part of a team rather than as individuals. It is likely that companies will use a two-pronged approach where, for example, team goals and employees' personal goals are set and weighted accordingly.

Trend of employee wellbeing (DJSI 3.3.9)

Core Focus	Unit	FY 23	FY 2022-24	FY 2023-25	FY 2024-26	FY 2025-26	What was your target for FY 2025-26?
Employee Satisfaction	% of employees with top level of engagement, satisfaction, wellbeing, happiness, stress management or employee	84	87	80	80		95

	net promoter score (eNPS)					
Data coverage	% of employees who responded to the survey	91	98	95	95	100

We conduct annual employee wellbeing and engagement surveys to assess key aspects of the employee experience, including **job satisfaction, employee motivation, sense of purpose at work, happiness, stress levels, overall engagement, and emotional well-being**. The surveys provide valuable insights into how employees perceive their work environment, organizational culture, and workplace support systems, helping Laurus Labs identify areas for improvement and strengthen employee wellbeing initiatives. These insights support the creation of a positive, inclusive, and productive workplace where employees feel engaged, valued, and empowered to perform at their best.

Occupational Health and Safety

OHS Policy - DJSI (3.4.1)

The company has established a policy or commitment relating to Occupational Health and Safety (OHS) through its Environment, Health, Safety & Sustainability Policy, which is publicly available.

It applies across all areas of the organization, including operations, employees, contractors, and individuals working under the company's direction or supervision. It defines measurable objectives for improving Occupational Health and Safety (OHS) performance indicators and provides a structured framework for identifying priority areas and developing corresponding action plans to address them effectively. Importantly, this policy carries the formal endorsement of the organization's senior leadership and executive management, underscoring its strategic importance and commitment to workplace safety.

OHS Programs - DJSI (3.4.2)

Our workplace OHS risk and hazard assessments process includes the development and implementation of action plans with measurable targets to effectively address identified risks. Our commitment to safety, health, and environmental performance is guided by a comprehensive EHS Policy aligned with different statutes (Majorly The Factory Rules, The Environmental Act etc), different Indian Standards (BIS) and ISO 14001/45001 standards. This applies across all manufacturing sites, R&D, supply chain, and business operations. Qualified EHS professionals are deployed throughout our operations to ensure EHS considerations are integrated into decision-making processes. Risk assessments prioritize identifying and controlling significant environmental, health, and safety hazards, driving residual risk to ALARP levels (as low as reasonably practicable). The assessment approach follows the hierarchy of controls, emphasizing Elimination, Substitution, Engineering, and administrative measures.

To protect personnel, we apply multiple risk assessment methodologies throughout the lifecycle of activities, including new product introductions, hazard studies, and containment control strategy assessments, to minimize potential exposure risks. We implement appropriate engineering controls, operational procedures, and personal protective equipment (PPE) to manage occupational health risks. Additionally, periodic risk-based medical surveillance is conducted to evaluate potential health outcomes from workplace exposures.

As part of our ongoing safety transformation journey, we have launched SANKALP Phase 2, in collaboration with the British Safety Council, a globally recognized leader in health and safety excellence, to further strengthen our safety culture across the organization.

Backed by a robust change management framework and a comprehensive three-tier audit mechanism comprising intra-unit reviews, central audits, and independent third-party assessments, we remain committed to continuously enhancing our Environment, Health and Safety Management System (EHSMS). Through these efforts, we aim to foster a safer workplace and safeguard our most valuable asset, our people.

In FY 2025-26, we targeted zero fatality cases and zero LTIFR and achieved both.

We have identified significant risk areas at our sites, including working at heights, confined spaces, hot work, and excavation. To strengthen controls for these high-risk activities, we updated our Permit to Work procedure across all manufacturing sites in FY 2025-26. The revised procedure sets out detailed safety measures, assigned responsibilities, communication protocols, energy isolation guidelines, and preparation protocols for hot work and confined space entry. We also developed scaffold safety standards that meet Indian and international regulations. Regular, expert-led training promotes workplace safety, providing comprehensive instruction on hazard identification, safe work procedures, self-protection measures, and emergency response protocols. These programs include safety training, process education sessions, awareness campaigns, safety signage, and emergency drills.

In FY 2025-26, we delivered 1,11,941 hours of Occupational Health and Safety (OHS) training. We encourage employees to report unsafe conditions and empower them to stop hazardous activities. Our in-house training professionals, working with external experts, ensure our workforce receives top-quality training.

Evaluation of progress in reducing/preventing health issues/risks against targets: We maintain a structured 'learning from incidents' forum that reviews lessons learned from incidents and shares key insights across all locations. This process supports the prevention of similar incidents and promotes continuous improvement in health and safety performance throughout the organization.

Occupational health and safety requirements are integrated into contractor selection, onboarding, and site management processes. Contractors and service providers working at Laurus facilities are required to comply with applicable site EHS procedures, Permit to Work requirements, safety training mandates, PPE requirements, and regulatory obligations. Contractor safety performance is periodically monitored through inspections, audits, and compliance reviews to ensure adherence to established health and safety standards.

Internal inspections:

The site EHS Team conducts daily Gemba walks to identify and address potential safety concerns. In addition, monthly planned EHS inspections are carried out jointly by the Leadership Team and the Site head. Line managers and senior staff also undertake monthly behavioral observations and inspections. Last year, we conducted cross-site audits, with EHS Heads from other sites along with safety audits with third party.

Procedures to investigate work-related injuries, ill health, diseases, and incidents:

We encourage proactive reporting of incidents, near misses, and potentially unsafe conditions by the workforce, irrespective of their perceived severity.

Active Employee Involvement:

Employees play an important role in our safety program. They actively contribute to the preparation and review of risk assessments, participate in safety committee meetings, support incident investigations, and assist in identifying work-related hazards and appropriate mitigation measures.

Open Communication:

We maintain open and transparent communication channels that enable employees to participate in risk assessment activities, contribute to safety committee discussions, support accident investigations, and take part in awareness initiatives aimed at identifying work-related hazards and mitigation measures.

Safety Performance (DJSI 3.4.3), (DJSI 3.4.4), (DJSI 3.4.5)

Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Fatalities (Employees)	No	3	0	0	0
Fatalities (Contractors)	No	2	0	0	0
LTIFR (Employees)	No	0.23	0	0	0
LTIFR (Contractors)	No	0	0	0	0

Note – The data has been externally assured by a third-party agency named NQA Certification Limited (NQA).

Contribution to Societal Healthcare Access to Healthcare Programs

Products and Drugs (DJSI 3.5.1) and Local Capacity Building (DJSI 3.5.2)

Innovation remains central to Laurus Labs' mission of improving healthcare outcomes through accessible and affordable medicines. We continue to leverage our scientific expertise and manufacturing capabilities to develop high-quality pharmaceutical solutions that address unmet patient needs. To date, we have commercialized over 60 products across our key business segments, including Generics APIs, Generics FDFs, and Synthesis.

Our efforts are focused on enhancing treatment accessibility, improving patient adherence, and developing differentiated healthcare solutions that address evolving medical challenges. During recent years, our portfolio has been strengthened through the development of innovative formulations and advanced therapies designed to improve patient outcomes.

Oral Disintegrating Films (ODFs)

Laurus Labs has invested significantly in developing patient-centric drug delivery technologies that improve adherence and ease of administration. Our Oral Disintegrating Film (ODF) platform was designed to address the unique needs of pediatric, geriatric, and dysphagic patient populations who may experience difficulty swallowing conventional dosage forms.

These fast-dissolving formulations offer a convenient and user-friendly alternative to traditional tablets and capsules, supporting improved treatment compliance while maintaining efficacy and safety standards. Through this innovation, we aim to enhance patient experience and contribute to better therapeutic outcomes across diverse healthcare settings.

Trientine HCl

Recognizing the storage and stability limitations associated with conventional Trientine HCl formulations, Laurus Labs developed an improved formulation that addresses temperature-related degradation challenges. This

innovation enables more stable storage and transportation conditions without stringent temperature controls, improving supply chain efficiency and product accessibility.

The enhanced formulation provides greater convenience for healthcare providers, distributors, and patients while ensuring product quality and therapeutic effectiveness. By overcoming critical formulation challenges, this development contributes to the broader availability of treatment options in diverse geographic and resource settings.

NexCAR19: Advancing Access to Cell and Gene Therapy

Laurus Labs, through its partnership with ImmunoACT and supported by research from IIT Bombay, launched **NexCAR19**, India's first CAR-T cell therapy approved by the Central Drugs Standard Control Organisation (CDSCO). This milestone represents a significant advancement in the treatment of relapsed or refractory B-cell malignancies, including certain forms of leukemia and lymphoma.

Clinical studies have demonstrated encouraging efficacy outcomes and a favorable safety profile, with reduced incidence of severe adverse events commonly associated with conventional CAR-T therapies. Importantly, NexCAR19 has been developed with a strong focus on affordability and accessibility, helping expand access to advanced cancer treatment in India and other resource-constrained markets. The launch underscores our commitment to enabling equitable access to cutting-edge healthcare innovations and strengthening local healthcare capabilities through indigenous research and development.

Customer Relations

Ethical Marketing Commitment (3.6.1)

Laurus Labs primarily operates through a Business-to-Business (B2B) model and therefore has limited direct engagement with patients, patient advocacy groups, or healthcare professionals. Nevertheless, we are committed to maintaining the highest standards of ethics, integrity, and transparency across all business interactions and communications.

Accurate and Responsible Communication

We are committed to ensuring that all product- and service-related information disseminated by the Company is accurate, balanced, and evidence-based. Guided by our Code of Conduct and Ethics framework, we seek to communicate responsibly while avoiding any misleading, coercive, or inappropriate claims. Our communication practices reinforce stakeholder trust and support informed decision-making across our value chain.

Ethical Engagement with Healthcare Stakeholders

Where engagement with healthcare professionals, institutions, or other healthcare stakeholders occurs, such interactions are conducted in accordance with applicable laws, regulations, and internal policies. We promote professionalism, transparency, and independence in all interactions to uphold ethical standards and prevent conflicts of interest.

Ethical Engagement with Patient Groups and Healthcare Professionals

While Laurus Labs primarily operates through a Business-to-Business (B2B) model and has limited direct interaction with patient groups and healthcare professionals, we are committed to ensuring that any such engagements are conducted responsibly, transparently, and in accordance with applicable laws, regulations, and internal policies. We uphold the independence and integrity of healthcare stakeholders by fostering professional interactions that are free from undue influence and aligned with our ethical business principles. Through strong

governance mechanisms and adherence to our Code of Conduct and Ethics framework, we strive to maintain stakeholder trust and support responsible healthcare practices across our value chain.

Transparency in External Communications

Laurus Labs believes that transparency is fundamental to ethical business conduct. Relevant information regarding our products, operations, and sustainability initiatives is communicated through established public channels, including annual reports, sustainability disclosures, corporate communications, and our website. This approach ensures that stakeholders have access to reliable and consistent information.

Respect for Stakeholder Independence

We recognize the importance of preserving the independence of healthcare stakeholders and organizations. Any engagement undertaken by the Company is guided by ethical principles, internal governance mechanisms, and applicable regulatory requirements to ensure that stakeholder autonomy is respected at all times.

Review and Approval of Promotional Materials

All promotional and non-promotional materials are subject to a defined internal review and approval process prior to external use or dissemination. This process helps ensure compliance with applicable regulatory requirements, scientific accuracy, and consistency with the Company's ethical marketing principles. Through these controls, Laurus Labs strives to maintain responsible and compliant communications across all markets in which it operates.

Ethical Marketing Performance (3.6.2)

Direct-to-Consumer Marketing

Laurus Labs operates primarily as a Business-to-Business (B2B) pharmaceutical company and does not engage in direct-to-consumer marketing activities. Accordingly, direct-to-consumer marketing is not applicable to our business operations.

Marketing Compliance Performance

During FY 2025-26, Laurus Labs recorded:

Complaint Type	FY 2025-26
Incidents of non-compliance concerning product and service information and labeling	0
Incidents of non-compliance concerning marketing communications	0
Total monetary losses resulting from legal proceedings associated with false marketing claims	0

Our zero-incidence record reflects the effectiveness of our governance framework, internal review mechanisms, and commitment to ethical and compliant marketing practices across the organization.

Privacy Protection

Privacy Policy: Systems/ Procedures (3.7.1)

Laurus Labs is committed to conducting its business operations in compliance with the applicable data protection regulations and in accordance with the highest standards of ethical conduct. We have a dedicated Privacy Policy

in place which can be accessed at https://www.lauruslabs.com/Investors/PDF/Policies/LLL_updated-privacy-policy-26.09.2025.pdf

The privacy policy should cover all operations, including suppliers and other third parties - Laurus Labs' Privacy Policy applies across all areas of its operations and extends to interactions with suppliers, contractors, and other third parties. This helps ensure that data privacy principles and responsible data handling practices are consistently maintained throughout the Company's value chain and business ecosystem.

A designated person or department responsible for data privacy issues – Laurus has appointed a dedicated Data Protection Officer (DPO) who is responsible for overseeing data privacy and protection matters across the organization. The DPO acts as the primary point of contact for data privacy-related concerns, complaints, and inquiries, while supporting compliance with applicable privacy regulations and internal policies. This role helps ensure that data management practices remain transparent, accountable, and aligned with regulatory expectations.

Integration of policy framework into group-wide risk and compliance management - Laurus Labs' Privacy Policy framework is embedded within the company's group-wide risk and compliance management system, promoting the consistent and responsible management of personal and sensitive data across all operations. Oversight of cybersecurity and data privacy matters including incidents related to customer data breaches is provided through the company's Risk Management Committee.

Disciplinary actions in case of breach – Laurus maintains a zero-tolerance policy toward breaches of data privacy and security. In the event of a data breach, the company follows a clearly defined and strict protocol to ensure timely action through containment, investigation, and resolution. During FY26, Zero breaches were reported.

Compliance with the privacy policy assessed through independent third-party and internal audits - We conduct periodic internal reviews and independent third-party audits to assess compliance with its Privacy Policy and data protection requirements. These assessments help identify potential gaps and opportunities for improvement, ensuring the continued effectiveness of the Company's data security and privacy management framework.

Customer Privacy Information (3.7.2)

The company informs customers about privacy protection practices and publicly discloses relevant information through its Privacy Policy and related disclosures.

The disclosure may include the following aspects concerning customer's ability to manage how their personal data is collected, used, stored, and processed:

Types of information collected - Our privacy policy clearly outlines the categories of information stored and collected by the organization. Our Privacy Policy clearly outlines and defines the specific types of information that are collected, stored, and processed by the organization. This may include personal and non-personal data, as applicable to our business operations.

Purposes for which the information is used - As described in our Privacy Policy, personal information is collected, used, and disclosed only for legitimate business interests. We are committed to responsible and transparent data management practices and ensure that all personal data is processed in accordance with regulatory requirements. Where required, informed consent is obtained prior to the collection and use of personal information.

Customer choices and rights concerning the collection and use of information - We recognize and respect customers' rights over their personal data. Customers may withdraw or modify previously provided consent at any time by contacting us. In certain situations, such requests may affect access to specific products or services or

be subject to legal or contractual obligations. Where applicable, customers are informed of any potential implications before such requests are processed.

Duration for which the information is retained in company records - Information is retained only for the period necessary to fulfill the purpose for which it was collected and to meet applicable business requirements. Throughout its lifecycle, the Company implements robust security measures to ensure the information remains protected and handled responsibly.

Right to access personal data – Customers may request access to the personal data held by the Company and obtain information regarding the categories of data collected, the purposes of processing, and applicable data sharing practices, subject to legal and regulatory requirements.

Right to correct personal data – Customers may request the correction, update, or completion of inaccurate, incomplete, or outdated personal information maintained by the Company to ensure data accuracy.

Right to delete personal data – Customers may request the deletion of their personal data where such data is no longer required for the purpose for which it was collected, subject to applicable legal, regulatory, and contractual retention obligations.

Request their data to be transferred to other service providers— Where permitted under applicable data protection laws, customers may request a copy of their personal data in a structured, commonly used, and machine-readable format and may request the transfer of such data to another service provider, where technically feasible.

Measures used to safeguard information - Laurus Labs has implemented a robust framework of technical, physical, contractual, and organizational controls to protect personal data against loss, unauthorized access, or misuse. Access to personal data is granted only on a need-to-know basis, and all employees are required to comply with the company's Code of Conduct and Privacy Policy, with appropriate disciplinary measures for violations. Additionally, the company uses SSL/TLS encryption to secure data transmission on its website. These measures reflect Laurus Labs' commitment to maintaining ethical and secure data practices across its operations.

Policy on disclosures to third parties (both private and public entities) - As part of a global business group, Laurus Labs may transfer personal data to jurisdictions outside your country of residence. Such transfers are carried out in a secure and lawful manner, in accordance with applicable data protection regulations. While personal information may be subject to the laws of the destination country, including access requests from government authorities where permitted by law, appropriate safeguards are implemented to ensure the continued protection of personal data throughout the transfer process.

Customer data used for secondary purposes - All personal data collected by Laurus is used solely for legitimate business purposes, as defined in the company's policy. The Company does not share, disclose, or utilize collected personal data for secondary purposes.



Independent Assurance Statement

To

The Management
M/s. Laurus Labs Limited,
Plot No. 21,
Jawaharlal Nehru Pharma City,
Parawada, Anakapalli-531021.
Andhra Pradesh, India

Laurus Labs Limited (hereafter 'LLL') commissioned NQA Certification Limited (NQA) to conduct independent external assurance of non-financial information disclosed in LLL's "ESG Supplementary Report" (hereinafter 'the Report') for the period April 1, 2025 to March 31, 2026 period. This engagement comprises a "limited assurance" of LLL's sustainability information for applied reporting period. The Report is based on material disclosure as per GRI Standards and ISAE 3000 (Revised) standard applied for assurance of the Report.

Responsibility of the Management

LLL has developed the Report content. Its Management is responsible for identifying material topics and carrying out the collection, analysis, and disclosure of the information presented in web-based and printed Report, including website maintenance and integrity. LLL's Management is also responsible for ensuring the quality and accuracy of the Report in accordance with the applied criteria stated in the GRI standards in such a way that it is free of intended or unintended material misstatements.

Scope and Boundary

The scope of work includes limited assurance of the following non-financial KPI disclosures given in the Report. In particular, the assurance engagement included the following:

- Review of the disclosures submitted by LLL;
- Review of the quality of information;
- Review of evidence (on sample basis) for identified non-financial indicators

QA has verified the below material disclosures.

GRI 3 - Material Topics
GRI 204 - Procurement Practices
GRI 205 - Anti Corruption
GRI 302 - Energy
GRI 303 - Water and Effluents
GRI 305 - Emissions
GRI 306 - Waste
GRI 307 - Environmental Compliance
GRI 308 - Supplier Environmental Assessment
GRI 401 - Employment
GRI 402 - Labour Management Relations
GRI 403 - Occupational health and safety

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GRI 404 - Training and Education
GRI 405 - Diversity and Equal Opportunity
GRI 407 - Freedom of Association and Collective Bargaining
GRI 408 - Child Labor
GRI 409 - Forced or Compulsory Labor
GRI 412 - Human Rights Assessment
GRI 414 - Supplier Social Assessment
GRI 418 - Customer Privacy
GRI 405-2 - Gender Pay Gap

The reporting boundary for the above disclosures covers 100% of the operations of Laurus Labs Limited included in the Report, comprising seven manufacturing units, one R&D facility, one corporate office and one registered office. The reporting boundary is consistent with the standalone reporting boundary used for the Company's financial reporting and includes all operations under the Company's operational control. No operations within this boundary have been excluded from the above disclosures. Onsite verification was conducted in May 2026. The assurance activities were done together with a desk review carried out for all LLL sites within the reporting boundary. Applicable boundaries for disclosures are explained in the Report.

Limitations

NQA did not perform any assurance procedures on the prospective information, such as targets, expectations, and ambitions, disclosed in the Report. Consequently, NQA draws no conclusion on the prospective information. LLL sustainability report only cover the data of key material disclosures. During the assurance process, NQA did not come across any limitation to the agreed scope of the assurance engagement. NQA expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement.

Our Responsibility

NQA responsibility in relation to this engagement was to perform a limited level of assurance and to draw a conclusion based on the work performed. This engagement did not include an assessment of the adequacy or the effectiveness of LLL's strategy or Management of sustainability-related issues or the sufficiency of the Report against principles of GRI Standards and ISAE 3000 (Revised), other than those mentioned in the scope of assurance. NQA's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative information disclosed by LLL. This assurance engagement is based on the assumption that the data and information provided to us by LLL are complete and true.

Verification Methodology

During the assurance engagement, NQA adopted a risk-based approach, focusing on verification efforts with respect to disclosures. NQA has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

- NQA examined and reviewed the documents, data, and other information made available by LLL for non-financial disclosures;
- NQA conducted interviews with key representatives, including data owners and decision-makers from different functions of LLL.

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Opportunities for Improvement

The following are the opportunities for improvement reported to LLL. However, they are generally consistent with the Management's objectives and programs,

- LLL may go for social compliance audit across its facilities to create better impact
- A standard procedure may be developed for the external issues reporting apart from whistle blower policy
- LLL develop the digital tool for data recording and reporting
- LLL can go for Life Cycle Assessment study from external agency to improve the environmental betterment

Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on Sustainability performance disclosed in the Report along with the referenced information provides a fair representation of the material topics, related strategies, and meets the general content and quality requirements of the GRI Standards Core option.

Disclosures: NQA is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements in accordance with the "Core" option.

Topic Specific Standard: 200 series (Economic topics), 300 series (Environmental topics), and 400 series (Social topics); These Topic-specific Standards were used to report information on the organization's impacts related to environmental and social topics. NQA is of the opinion that the reported material topics and Topic-specific Standards that LLL used to prepare its Report are appropriately identified and addressed.

Limited Assurance Conclusion: Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement was not prepared in all material respects. NQA found the sustainability information to be reliable in all material respects, with regards to the reporting criteria ("Core") of the GRI Standards. This assurance statement has been prepared in accordance with the terms of our engagement. In accordance with the ISAE 3000 (Revised) requirements read in conjunction with ISAE 3410, the below principles were adhered to ISAE 3000 (Revised)

• Independence

NQA follows International Ethics Standards which adopts a threats and safeguards approach to independence. It is confirmed that the Assurance Team is selected to avoid situations of self-interest, self-review, advocacy, and familiarity. The Assessment Team was safeguarded from any type of intimidation.

• Quality control

The Assurance Team complies with the International Ethics Standards, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In accordance with International Standard on Quality Control, NQA maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Inclusivity: Stakeholder identification and engagement is carried out by LLL on a periodic basis to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.

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Materiality: The materiality assessment process has been carried out based on the requirements of the GRI Standards, considering topics that are internal and external to the LLL range of businesses. The Report fairly brings out the aspects and topics and their respective boundaries of the diverse operations of LLL. In our view, the Report meets the requirements.

Responsiveness: NQA believes that the responses to the material aspects are fairly articulated in the Report, i.e., disclosures on LLL policies and management systems, including governance. In our view, the Report meets the requirements.

Impact: LLL communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with GRI, as part of its policy framework encompassing the policies Environmental, Social, Ethical and other. LLL reports on sustainability performance to the Board of Directors, who oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing sustainability-related issues. LLL initiated the process of establishing goals and targets against which performance will be monitored and disclosed periodically.

NQA expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. The intended users of this assurance statement are the Management of LLL.

The Management of the LLL is responsible for the information provided in the Report as well as the process of collecting, analyzing, and reporting the information presented in web-based and printed Report, including website maintenance and its integrity.

Assurance Team and Independence

NQA is an independent, neutral third-party providing sustainability services with qualified environmental and social specialists. NQA states its independence and impartiality and confirms that there is "No Conflict of Interest" with regard to this assurance engagement. In the reporting year, NQA did not work with LLL on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. NQA was not involved in the preparation of any content or data included in the Report, with the exception of this Assurance Statement. NQA maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of NQA Certification Limited



Sambasiva Rao Choda (S.R. Choda)
Lead Auditor QMS, EMS, OHSMS & EnMS, NQA
IRCA Regd. No.: A009094

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