Laurus Labs ESG Supplementary Report
FY 2023-24

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Governance and 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, 2023, to March 31, 2024. This report specifically covers the ESG performance of our six manufacturing plants and one R&D facility. While the financial performance is presented on a consolidated level, the non-financial reporting focuses on our achievements and progress in environmental and social indicators.

Sustainability Reporting Assurance (DJSI 1.1.2)

Our non-financial performance has been externally assured by NQA Certification Limited in line with ISAE 3000 (revised). The Assurance Statement is available on page 45 of our ESG Supplementary Report FY 2023-24.

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 submit 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. Additionally, 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, 45 percent 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 Directors	0
Non-Executive Directors	4
Total Board Size	9

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 approx. 11 years. This collective, 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 9 members on the Board of Directors, two are female, accounting for 22.22% of the total board composition.

Board Effectiveness (DJSI 1.2.6)

Board Meeting Attendance

The average board meeting attendance during the reporting year was 93%.

Board Mandates

Laurus Labs has five non-executive/independent directors with four or fewer mandates in other listed entities. These include Mr. Sekar Karnam, Mr. Ramesh Subrahmanian, Dr. Ravindranath Kancherla, Ms. Aruna Bhinge, and Mr. Rajendra Chandy Rajesh Koshy. In accordance with SEBI regulations, all non-executive/independent directors are limited to holding a maximum of seven mandates in other listed entities.

Board Performance

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.

Board Election Process

Board members are elected individually (as opposed to being elected by state). In line with our Nomination, Remuneration and Board Diversity Policy, all Board Members are elected by the Nomination and Remuneration Committee. 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.

Board Average Tenure (DJSI 1.2.7)

Our Board Average Tenure is 11 years.

Board Industry Experience (DJSI 1.2.8)
Currently, one of our Independent/Non-Executive Directors, Mr. Kancherla Ravindranath, possesses relevant industry experience.

Management Ownership (DJSI 1.2.11)

Name & Designation	Salary (INR)	No. of shares held
Dr. Satyanarayana Chava, CEO	13,47,14,409	124,126,740
Mr. Venkata Ravi Kumar, Executive Director	4,38,11,860	77,05,000
Dr. Chunduru Venkata Lakshmana, Executive Director	2,87,33,337	13,45,01,45

Position	Name	Multiple of base salary
Chief Executive Officer	Dr. Satyanarayana Chava	361.15
Executive Directors	Mr. Venkata Ravi Kumar & Dr. Chunduru Venkata Lakshmana	126.32

Government Ownership (DJSI 1.2.13)
No governmental institution owns more than 5% of the total voting rights of the company.

Family Ownership (DJSI 1.2.14)
Founding individuals or family members individually own 23.03% of the voting rights of the company.

CEO-to-Employee Pay Ratio (DJSI 1.2.15)
The ratio between the total annual compensation of the Chief Executive Officer and the median employee remuneration is **294:1** for FY 2023-24.

Materiality

Materiality Analysis (DJSI 1.3.1)

We recognize the importance of identifying critical sustainability issues that are material to our business through rigorous engagement with our stakeholders. Insights generated and issues identified through such stakeholder engagement processes are closely integrated with our sustainability strategy and the initiatives we implement for long-term value creation. We have undertaken an in-depth materiality assessment, involving both internal and external stakeholders, using the principles of double materiality, to identify critical issues that may be a potential risk and/or opportunity for our business and the external environment and society. We are committed to undertaking this assessment every two to three years. We have categorized our identified material issues based on importance and as a risk or opportunity. Our materiality

assessment has also been reviewed and approved by our Senior Management. Detailed information can be found on page 36-39 of our Integrated Annual Report FY 2023-24.

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

Material Issue	Product Quality and Safety	Energy Management	Innovation Management
Business Case	Our efforts to meet our patient requirements, create value and deliver positive health outcomes, is contingent on timely delivery of high quality and safe medicines and products. Inadequate alignment with product quality standards and regulations can have an adverse and direct impact on human health, and can lead to severe health complications, or even fatalities. Furthermore, any adverse event can result in loss of brand value, regulatory non-compliance and financial penalties.	Our energy profile includes coal, diesel, grid electricity, solar power and steam from waste recovery. We continue to make focused and targeted efforts to increase our renewable energy usage and achieve higher energy efficiency across our operations. Energy-efficient practices directly enhance operational efficiency, reducing production costs and increasing overall competitiveness. Implementation of energy-efficient technologies and processes can enable substantial cost savings in the long run.	Innovation is the foundation of our business. Through relentless efforts and investments in research and development, we are able to diversify our product portfolio, increase revenues and enhance our competitive advantage. Targeted R&D also supports greater partnership and collaboration networks. In the absence of continued innovation, our business can be negatively impacted.
Business Impact	Risk	Cost	Revenue

Business Strategies	We have adopted a robust and systematic approach to maintaining high quality across every stage of drug development and manufacturing. A comprehensive Quality Management System has been established, characterized by regular and rigorous reviews, driven by our commitment to continuous improvement. We strictly adhere to Good Manufacturing Practices (GMP) and ensure alignment across all our processes. We have also employed multiple cutting-edge software solutions that support streamlining in our operations on a daily basis. Further, through the implementation of ICDAS for stability chambers and Minitab for quality data analysis, we are able to ensure product stability and quality review excellence. All our employees are provided with detailed training on our quality management policies, practices and compliance with GMP through our learning systems and specialized third party trainers. This is further supplemented with SOP based training, along with a mandatory assessment, enabling us to gauge awareness and support continual learning and development.	Driven by our ISO 5001: 2018 certified Environment Management System (EMS), we systematically track, measure and improve our energy performance. It enables us to identify energy-intensive areas, set energy reduction targets, and implement energy-saving measures. Additionally, we place a strong emphasis on increased procurement of green energy from the grid. We have also implemented several energy efficiency initiatives such as transitioning to LED lights, installation of solar rooftop panels and movement sensors, among others. These efforts along with our EMS strongly support our commitment to continually reduce our energy intensity and increase adoption of renewable energy, driving enhanced energy efficiency.	Our research-first philosophy differentiates us, fueled by our state-of-the-art R&D facilities and a passionate team of over 2,450 professionals, including 1,100+ researchers and scientists. We have continually strengthened our position as a leader in the pharmaceutical and biotechnology industry through strides in innovation and product excellence. By integrating advanced technologies and sustainable practices across various facets of our operations, we enhanced product quality, operational efficiency, and environmental responsibility. With 342 patents filed, 104 dossiers, and multiple ANDAs, we are building a robust intellectual property portfolio and advancing healthcare solutions. In the past year, we have also established 6 partnerships with big pharma.
Target	Zero Product Recall	25% reduction in energy intensity	--
Target Year	2024	2030	--
Progress	We have not incurred any product recalls in the preceding 5 years	Energy Intensity for FY24 stands as 0.00007 GJ/INR	--

Material Issues and Metrics for External Stakeholders (DJSI 1.3.4 and 1.3.5*)*

Material Issue	Climate Risks and Resilience	Product Quality and Safety
Cause of the Impact	Operations and Supply Chain	Operations and Product/Services
External Stakeholders Impacted	Environment, Society and External Employees	Society and Consumers/End users
Topic Relevance on External Stakeholders	Burning of fossil fuels in our operations greatly contributes to global warming. Inability to manage and reduce our GHG emissions can heighten the impact and effects of climate change, leading to wider social disparities, resulting in increased inequalities and fragmentation. This can greatly undermine our operations and supply chain. Additionally, it can also expose us to regulatory scrutiny, financial penalties and loss of stakeholder trust. We are committed to increasing our usage of renewable energy and have implemented multiple energy efficient initiatives. We strongly focus on increased procurement of green energy from the grid and endeavor to secure a continued decrease in our emissions intensity.	As a pharmaceutical company, high quality and safe products form the cornerstone of our business model. In the absence of safe medicines, there may be an increasing adverse impact on human life. Further, Failure to provide high quality and safe medicines can disrupt the supply of life saving medications and cessation of product approvals from concerned sites.
Type of Impact	Positive and Negative	Negative
Output Metric	Reduction in CO2 emissions	100% compliance with product quality norms and regulations
Impact Valuation	Improved air quality from avoiding combustion of fossil fuels	Improved health and wellbeing
Impact Metric	Social Cost of Carbon	Number of Product Recalls

Risk and Crisis Management

Risk Governance (DJSI 1.4.1)

At the Board level, direct oversight on all activities related to risk management is provided for the Risk Management Committee. Consisting of Executive, Non-executive and Independent Directors, this committee develops, monitors, and refines the organization's risk management policies and regularly reports back to the Board on its findings and activities.

At an operational level, we have dedicated frontline risk champions who are responsible for management and coordination of all risk activities. These risk champions proactively support identification, assessment, evaluation, prioritization, monitoring and reporting on potential and actual risks. Additionally, through our annual Enterprise Risk Management Survey, these frontline employees are provided with a targeted method of providing insights and feedback, further supporting continuous improvement.

A second line of operational risk management has been provided for through designated management personnel who are responsible for setting control standards and ensuring compliance. These personnel provide regular updates to the Risk Management Committee, further enhancing our efforts for effective risk management.

Our Audit Committee forms the third line of operational management, responsible for the effectiveness and efficiency of our risk management processes. This committee is further supported with rigorous and detailed reviews undertaken by our internal audit team and external auditors. This supports effective and timely review of identified risks, assesses the efficacy and strength of our control measures and processes, and validates the effectiveness of our developed mitigation measures.

Risk Management Processes (DJSI 1.4.2)

Our approach to enterprise risk management (ERM) has been clearly defined to support identification, assessment, management and mitigation of potential and actual risks at an organizational level. We have developed a detailed Risk Management Policy that provides for a systematic process for risk identification, assessment, and prioritization, which empowers us to make informed decisions, allocate resources efficiently, and strengthen our overall resilience. Furthermore, insights generated through our in-depth materiality assessment are continually reviewed for alignment with our ERM framework. These insights strongly support management consideration of external views while reviewing and refining the risk register. We regularly review our risk exposure on an annual basis. Our risk management processes also undergo periodic internal and external audits, supporting timely intervention for continuous improvement.

All identified risks are categorized based on their nature as detailed in our Risk Management Policy. We classify risks as Legal, Business or Operational and Technical Risks. Upon identification, each risk is assessed on its likelihood of occurrence and magnitude of impact to determine its severity for timely implementation of effective mitigation measures. Further information on our approach to risk management and identified risks are available on page 83-85 of our Integrated Annual Report FY 2023-24.

In addition to robust risk identification and management processes, we recognize the criticality of integrating and fostering a risk appetite across our organization. All our employees are provided with regular training on risk management, providing them with necessary skills and knowledge to identify and escalate any potential or actual risks. In line with the requirements of Regulation 25(7) of the Listing Regulations, we also conduct an annual Familiarization Programme for Independent Directors on areas of operations, functional overviews, business performance and opportunities, risk management framework, regulatory environment in which we operate.

All our employees are encouraged to identify and report any risks in a timely manner. Through an open-door-policy, employees are provided with adequate platforms to voice their concerns and report their findings. This also supports continuous improvement in our risk management processes, allowing for a holistic approach to risk management. Safety Champions have been appointed across our operations and have the primary responsibility for timely identification of safety hazards and risks and ensure effective mitigation. Further, in partnership with the British Safety Council, we have initiated a behavior based safety program, greatly enhancing the culture and appetite for risk management across the company.

Risk criterion is also included in the development of our products. Prior to commercialization, all our products undergo thorough safety reviews and process safety studies are undertaken at our Process Engineering Laboratories. We also implement activity-based risk assessments, HAZOP studies and Exposure Risk Assessments. Process adequacy assessments are also implemented prior to execution. We have a detailed SOP in place for ESH Risk Management.

Emerging Risks (DJSI 1.4.3)

As a pharmaceutical company, we are cognizant that we operate in a constantly evolving environment, characterized by increasing regulatory scrutiny, technological developments and changing market dynamics. In addition to current risks, we make focused efforts to identify new or emerging risks at least once every three years. These risks are identified based on their contextual relevance to our business and the potential impact it may have on our operations.

- **Geopolitical Fragmentation:** With clients present across the globe, geopolitical disturbances in any conflict region such as Israel, or growing tensions between USA and China, may expose our operations, supply chain and overall business environment to heightened risk factors. Emerging sanctions or trade disputes from such conflicts can adversely impact our supply chain, disturbing seamless delivery and transportation and finished goods, further impacting product delivery and quality, undermining our commitment to our customers as well as our competitive advantage. To combat any such unprecedented disruption, we continuously monitor evolving circumstances and establish robust measures that support business continuity. Additionally, to secure our business from supply chain disruptions, we forge and establish strong partnerships and engage in regular communication with our value chain partners to effectively navigate any unforeseen challenges.

- **Misuse of Artificial Intelligence:** With the increasing use of technology and digital platforms, we are exposed to unprecedented hacker attacks through the misuse of artificial intelligence. Cybercriminals may be able to access sensitive information such as intellectual property, production data and research information. Vulnerable technological devices increase the risk of unauthorized access to sensitive patient and company information. Furthermore, with an increasing involvement of artificial intelligence in drug discovery, we may also be subject to ethical concerns and increased regulatory scrutiny. We have developed robust mechanisms to enhance our cyber security and data protection infrastructure and processes, guided by a detailed Information Security Management System, and supported with a Data Privacy policy that provides a clear framework to protect sensitive data. This is further supported with internal and external audits along with vulnerability assessments. All our employees are also provided with detailed training on cybersecurity and data privacy. We ensure strict alignment with data protection regulations.

Business Ethics

Reporting on breaches (DJSI 1.5.5)

Reporting areas	Number of breaches in FY 2023-24
Corruption and Bribery	0
Discrimination or Harassment	0
Customer Privacy Data	0
Conflicts of Interest	0
Money laundering or Insider Trading	0

Policy Influence

Contributions and Other Spending (DJSI 1.6.1, 1.6.2)

We did not make any contributions to and spending for political campaigns, political organizations, lobbyists or lobbying organizations, trade associations and other tax-exempt groups.

Category	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
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

Supply Chain Management

Supplier ESG Program (DJSI 1.7.2)

We strongly encourage our suppliers to adopt our Supplier Code of Conduct (COBC), which sets high standards for ethical business behavior and underscores our firm dedication to principled practices, including the protection of human rights throughout our operations and value chain. Our supplier contracts include provisions that allow us to terminate agreements if any supplier activities violate our commitment to human rights. As part of responsible supply chain management, we

assess our suppliers on ESG parameters through a comprehensive desk based process. We have formulated a criteria that helps us figure out suppliers which are at a high risk. Hence, during new contracts or onboarding, suppliers with better ESG performance are preferred to minimize such risk. We also conducted capacity building or training sessions both for our internal stakeholders and for suppliers/vendors to help create awareness and improve them on their ESG maturity and understanding.

Supplier Screening and Assessment (DJSI 1.7.3, 1.7.4, 1.7.5)

We have detailed standard operating procedures in place to screen new suppliers on their capacity, quality and ESG compliance and performance at the time of onboarding. Our suppliers undergo comprehensive annual assessments covering a range of performance dimensions. These evaluations are designed with the core objective of safeguarding the long-term viability of the business and its social license to operate. Furthermore, we actively promote adoption of our Supplier Code of Conduct (COBC) among our suppliers. We screen our suppliers based on technical, financial, quality, environmental, social and governance parameters and assess their criticality on country, sector and commodity specific risks. This year, we have also hired a third party to conduct desk-based assessment of our suppliers and on site audit for critical suppliers.

Supplier Screening	FY 2023-24
1.1 Total number of Tier-1 suppliers	812
1.2 Total number of critical/significant suppliers in Tier-1	113
1.3 % of total spend on critical/significant suppliers in Tier-1	60%
1.4 Total number of critical/significant suppliers in non-Tier-1	-
1.5 Total number of critical/significant suppliers (Tier-1 and non-Tier-1)	*113*

Supplier Assessment and Development (DJSI 1.7.6)

Supplier Assessment	FY 2023-24	Target for FY 2023-24
Total number of suppliers assessed via desk assessments/on-site assessments	113	113
* Number of suppliers assessed with substantial actual/potential negative impacts	0	0
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	NA	NA
Number of suppliers with substantial actual/potential negative impacts that were terminated	NA	NA

All the suppliers that were assessed achieved the desired score.

^Coverage and progress of suppliers with corrective action plans

Corrective action plan support	FY 2023-24	Target for FY 2023-24
Total number of suppliers supported in corrective action plan implementation	NA	NA
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	NA	NA

^Since all the suppliers assessed received the desired score, hence no correction plan was required and was not shared.

Coverage and progress of suppliers in capacity building programs

Capacity building programs	FY 2023-24	Target for FY 2023-24
Total number of suppliers in capacity building programs	6	10

Information Security/ Cybersecurity and System Availability

IT Security/ Cybersecurity Governance (DJSI 1.9.1)

At the Board level, currently Mr. V.V. Ravi Kumar, our Executive Director and Chief Financial Officer oversees all matters related to information security and cybersecurity. At an Executive level, Mr. Vivek Dhirma is responsible for overseeing cybersecurity within the company and reports to Mr. V.V. Ravi Kumar. Also, we have a third party Chief Information Security Officer (CISO) in place who handles day to day I.T. operations.

IT Security/ Cybersecurity Measures (DJSI 1.9.2)

Our I.T./Cybersecurity Management Policies and Procedures

Information security/ cybersecurity policy is internally available to all employees.	ISMS policy is available on Laurus's internal intranet portal highlighting the company's commitment towards information security in line with business/legal/regulatory needs. Additionally, SOP on security incidents and monitoring, policy on information classification, and incident management procedures are also available.

Information security/cybersecurity awareness training.	Various platforms inform employees of the ISMS policies, framework, and related updates. The training mechanism includes: • New joiners are provided with mandatory training during induction. • Security awareness mails are sent to all employees every week. • Need-based training is organized when specific risks are identified, or any tests are required to be done.
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
Information security/ cybersecurity is part of the employee performance evaluation	If any malicious activity is observed or any breach is found against any employee, it may trigger disciplinary action or termination process. However, no breach was reported during the FY2024

IT Security/ Cybersecurity Process and Infrastructure (DJSI 1.9.3)

Laurus Labs has a well-defined IT security and cybersecurity process aimed at ensuring the continuity of business operations during any interruptions or disruptions. The company's Business Continuity Plan (BCP) outlines the steps required to maintain business processes when normal operations are not possible. This includes a thorough risk identification process, assessing both short-term and long-term threats, and evaluating their potential immediate impacts on the business. The risk is then analyzed and controlled based on its severity, and a comprehensive response strategy and recovery plan are developed. To ensure preparedness, regular training and testing are conducted. Additionally, in terms of Information Security (IS) infrastructure, Laurus Labs has established procedures for verification, maintenance, and restoration, which are critical for effective disaster recovery. These measures are designed to safeguard the company's IT assets and ensure minimal disruption to its operations in the event of a disaster or security breach. Additionally, we also conduct a third-party vulnerability analysis to identify, classify, and prioritize vulnerabilities in computer systems, applications, and network infrastructures.

Category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
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 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

Product Quality and Recall Management

Class I Recalls (or equivalent), (DJSI 1.11.1)

Category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Number of Class I recalls (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 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
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 1.11.2)

Regulatory Agency Inspections

Regulatory agency inspections	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Number of inspections	9	7	10	14

Form 483 Observations and FDA Warning Letters

Form 483 Observations (or equivalent)	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Number of Form 483 Observations (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

FDA Warning Letters (or equivalent)	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
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

Environmental Dimension

Environmental Policy and Management Systems

(DJSI 2.1.1, 2.1.2)

Our company has a comprehensive public environmental policy (https://www.lauruslabs.com/) that thoroughly addresses all critical aspects of an Environmental Management System (EMS). The implementation of this policy is overseen by our Board of Directors, demonstrating our highest level of commitment to and the continuous improvement of our environmental performance. It clearly defines roles and responsibilities across the organization to ensure effective execution. We are dedicated to full compliance with all relevant environmental laws and regulations, while also committing to ongoing

enhancements in our practices. Our policy sets clear, measurable targets and objectives to reduce environmental impacts, and we actively engage both internal and external stakeholders to raise awareness about our environmental initiatives. Furthermore, we provide extensive training for our employees to ensure they understand the environmental implications of their activities and are equipped to contribute positively to our sustainability goals. This holistic approach ensures that our environmental management efforts are robust, transparent, and impactful.

Verification of Environmental Programs (DJSI 2.1.3)

Certification	Coverage
EMS is verified through ISO 14001	100%
Third party certification /audit / verification	-
Internal certification /audit / verification by the company's own specialists	-
Total	**100%**

Environmental Violations (DJSI 2.1.4)

We have no open show cause or legal notices, or penalties imposed by regulatory agencies for safety and environmental violations in the last four years. The Company is compliant with all applicable environmental laws and regulations.

Energy

Energy Management Programs (DJSI 2.2.1, 2.2.2)

At Laurus Labs, by integrating energy management programs into business practice, we intend to establish a robust process to continue improving our energy performance. All our facilities are ISO 50001 certified (energy management system) which helps us systematically monitor, measure, and improve our performance. We are committed to using clean or green energy and investing in innovation and R&D to further decrease energy consumption. The key initiatives undertaken to reduce energy consumption includes:

- Transitioned to LED lighting across all facilities.
- Solar panels with a cumulative capacity of approximately 1 MW have been installed at Units 1, 3, 6, and our R&D facility.
- The implementation of Variable Frequency Drives (VFDs) and temperature controls in cooling towers has resulted in significant energy savings.
- Upgrading to more efficient compressor models with radiator cooling has led to considerable reductions in energy usage.
- The installation of movement sensors throughout our facilities has saved 131 GJ of energy annually.
- We completely eliminated coal usage at Unit 1, switching to steam from neighboring industries for operational energy and electricity generation.
- Acquired a stake in Ethan Energy India to utilize their solar-generated energy.

In addition, we regularly conduct internal and external audits to identify opportunities for improving further. During the reporting year, we conducted 30 internal and 15 external audits. We have set quantified targets to address energy savings and are implementing actions to reduce overall energy use. The target undertaken is 25% reduction in energy intensity by 2030. Progress in reducing energy consumption is regularly evaluated to ensure we meet our goals. Through public disclosures, we aim to inform external stakeholders about the importance of environmental management. We have also formulated the department level annual environmental KPIs and performance against each such KPI is assessed at frequency from daily to monthly level. To support these efforts, we provide energy efficiency training to employees to raise awareness and promote the reduction of energy consumption throughout our operations.

Energy Consumption

Total energy consumption	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total non-renewable energy consumption	**MWh**	288,537	619,948	837,220.7	975,059.40
Total renewable energy consumption	**MWh**	32,643	27,951	35,819.06	55,708.4

1GJ = 0.29 MWh

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

Waste and Pollutants

Waste Management Programs (DJSI 2.3.1)

Our waste management plan focuses on reducing waste and supporting sustainability. We handle different types of waste, like hazardous, non-hazardous, electronic, and biomedical. We keep track of all waste produced and ensure it is sent to third parties for recycling or disposal according to government rules. We are serious about managing waste responsibly, so we prioritize recycling. For example, we send burnable hazardous waste to be processed, which decreases the amount sent to landfills. This includes used carbon and organic leftovers from our production processes. We regularly review our waste practices to find areas for improvement and set clear goals to reduce waste. We are always looking for ways to reduce waste, including exploring new technologies and research. We invest in innovation and research to boost our waste reduction efforts. We provide thorough waste reduction training to our employees and run awareness programs at our manufacturing sites to help fight climate change.

Key initiatives to manage waste:

- Hazardous waste primarily consists of 13% Landfillable, 2% Incinerable, 10% Co-processing, 50% Re-cycled, and 25% Non-Hazardous Waste. We collaborate with authorized vendors for the responsible disposal and recycling of this waste. A significant portion of this waste is sent for coprocessing in cement plants, reducing the volume sent to landfills.

- We prioritize recycling and reuse across all nonhazardous waste streams, including organic waste from our facilities, which is composted onsite. In FY24, 51% of our total waste was recycled or reused.

- We also focus on the recovery of solvents from aqueous layers, previously disposed of as effluents. By partnering with specialized recovery agencies, we repurposed approximately 7,065 KL of wastewater.

We are setting ambitious targets to enhance our waste management strategies. A key focus is to increase the percentage of hazardous waste directed to co-processing up to 75%.

Waste Disposal (DJSI 2.3.2)

Category	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Hazardous waste – Recycled / Reused	MT	14,911	16,640	20,719	22,883.6
Hazardous waste – Disposed	MT	8,255	6,328	6,738.9	0
Hazardous waste – Landfilled	MT	1,020	1,827	1,696	5,752
Hazardous waste – Incinerated without energy recovery	MT	333	455	528.9	818
Hazardous waste – Co-processing	MT	3,407	4,041	4,514	4,262.6
Non-hazardous waste – disposed	MT	3,496	3,271	5,950	7,531.6
Non-hazardous waste – Recycle / Reuse	MT	5.20	5.36	2.68	3,594

Note - Values for FY 2020-21 covers Unit- 1 and 3, whereas the data for FY 2023-24, FY 2022- 2023 and FY 2021-2022 is provided for Unit-1, 2, 3,4,5,6 and R&D.'

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

Waste Generation and Disposal (DJSI 2.3.3)

Category	Unit	FY 2021-22	FY 2022-23	FY 2023-24
Fly ash	MT	3265.67	5950	7,531.6
ETP sludge	MT	250.80	317.81	694.2
Process-in organic salts	MT	1165.78	1378.24	1.480
Spent carbon	MT	449.60	482	714.2
Organic residue	MT	3591.35	4032.21	3,457.4
Miscellaneous Incinerable waste	MT	455.25	528.89	804.6

LDPE / HDPE liners	MT	282.90	0	0
Used oil	MT	13.45	27.27	12.5
Spent mixed solvents	MT	16170.65	20223.74	22,334.7
E- Waste	MT	5.36	2.68	1.0
Insulation wool	MT	18.02	25.16	17.2
PP bags	MT	168.60	465.49	547.9
Bio-medical waste	MT	4.13	11.58	13.4
ATFD MEE salts	MT	411.00	2037	3,640.2

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

Water

Water Efficiency Management Programs (DJSI 2.4.1)

At Laurus Labs, we take proactive steps to evaluate how we use water to make our operations more efficient, lower consumption, and improve the quality of wastewater. We actively work on reducing water use and enhancing the quality of wastewater with various projects. As per the EC terms of industrial cluster, we are disposing waste water to the common effluent treatment plants authorized by State Pollution Control Board (SPCB).We conduct audits at our manufacturing sites to examine water use and identify high water usage areas so we can improve efficiency and cut down on consumption. These audits are detailed and carried out by outside experts. We also practice water recycling to help with conservation. Wastewater from our sites is treated according to regulations and recycled as much as possible. We regularly educate our employees and external partners on how to use less water. Additionally, our staff receives training on water efficiency to promote water-saving habits in everyday tasks

Key initiatives:

- We have implemented systems to manage and reduce water use across our facilities. During FY24, we consumed 964,759 KL of water and successfully recycled 284,801 KL using advanced treatment processes such as reverse osmosis (RO) and mixed bed treatments, reintegrating it into our boiler systems.
- We have installed an electrolytic water treatment system specifically for our cooling towers to enhance water quality and recyclability.
- Treatment and recovery of multimedia filter (MGF) backwash water is accomplished through sophisticated filtration systems, with the recycled water being used extensively for horticultural purposes within our premises.
- We actively pursue opportunities to reuse waste steam from adjacent industries, converting what would be a waste product into a valuable resource for our operations.
- Installation of flow restrictors in water lines, particularly in facility washrooms, helps in reducing water wastage, ensuring efficient usage across all touchpoints.

Water Consumption (DJSI 2.4.2)

	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
A. Water withdrawal (excluding saltwater)	**Million cubic meters**	1.14	0.98	1.39	1.58
B. Water discharge (excluding saltwater)	**Million cubic meters**	0.35	0.49	0.90	0.61
Total net fresh water consumption (A-B)	**Million cubic meters**	0.79	0.49	0.49	0.97
Data coverage	**%**	85.7	100	100	100

Note- Values for FY 2020-21 includes figures for all six units and excludes R&D, whereas the data for FY 2023-24, FY 2022-2023 and FY 2021-2022 is provided for Unit-1, 2, 3,4,5,6 and R&D.

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

Climate Strategy

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

Direct GHG (Scope 1)	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total direct GHG emissions (Scope 1)	**metric tonnes CO2 equivalents**	68,321	135,804	182,215	198,782
Data coverage (as % of denominator)	**%**	90	100	100	100

Note- Values for FY 2020-21 covers Unit- 1 and 3, whereas the data for FY 2023-24, FY 2022- 2023 and FY 2021-2022 is provided for Unit-1, 2, 3,4,5,6 and R&D

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

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

IGHG (Scope 2)	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Location-based	**metric tonnes CO2 equivalents**	248,303	163,134	159,094	176,678

Data coverage (as % of denominator)	**% of Operations**	90	100	100	100
Market-based	**metric tonnes of CO2 equivalents**	-	-	-	-
Data coverage (as % of denominator)	**%**	-	-	-	-

Note- Values for FY 2020-21 covers Unit- 1 and 3, whereas the data for FY 2023-24, FY 2022- 2023 and FY 2021-2022 is provided for Unit-1, 2, 3,4,5,6 and R&D

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

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

IGHG (Scope 3)	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total indirect GHG emissions (Scope 3)	**metric tonnes CO2 equivalents**	0	65,014	73,322	87,212

Note- Values for FY 2020-21 covers Unit- 1 and 3, whereas the data for FY 2023-24, FY 2022- 2023 and FY 2021-2022 is provided for Unit-1, 2, 3,4,5,6 and R&D

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

Scope 3 Category	Emissions in the reporting year (Metric tons CO2e)
1. Purchased Goods and Services	59,182
2. Capital Goods	-
3. Fuel-and-energy-related-activities (not included in Scope 1 or 2)	19,952
4. Upstream transportation and distribution	4,745
5. Waste generated in operations	-
6. Business travel	-
7. Employee commuting	-
8. Upstream leased assets	-

9. Downstream transportation and distribution	3,333
10. Processing of sold products	-
11. Use of sold products	-
12. End of life treatment of sold products	-
13. Downstream leased assets	-
14. Franchises	-
15. Investments	-
Other upstream	-
Other downstream	-

Climate Governance

Climate change-related risks and opportunities are part of the business strategy at Laurus Labs. The potential risk and opportunities perceived by the management are as follows:

Risks:

- Increases in extreme weather events such as hurricanes, floods and wildfires can disrupt supply chains, manufacturing facilities, and research and development activities of pharma companies.
- Changes in temperature and precipitation patterns can affect the distribution and spread of diseases, which can increase the demand for certain drugs or vaccines.
- Rising sea levels and coastal erosion can damage infrastructure and facilities, leading to increased costs and disruptions.
- Climate-related regulatory changes can affect the pricing and reimbursement of drugs, as well as the approval process for new products.
- Increased public awareness and concern about climate change can lead to reputational risks for pharma companies that are perceived as not taking enough action to reduce their carbon footprint.
- Climate change is known to impact employees' health and wellness.

Opportunities:

- Increasing demand for drugs and vaccines related to climate change impacts such as infectious diseases, respiratory illnesses and mental health.
- Development of new treatments and therapies that address the health impacts of climate change.
- Integration of sustainability and climate change considerations into the overall business strategy can enhance reputation, attract investors and improve employee morale.
- Investment in renewable energy, green infrastructure and energy efficiency measures can reduce costs and increase operational efficiency.
- Collaboration with other sectors to address climate change can lead to new partnerships and opportunities for innovation.

Governance approach to climate change

Board Supervisory System for Climate Change Risks and Opportunities:

- Building a resilient company by safeguarding it from vulnerabilities and potential impacts is critical.
- Strategic intent is to embed a risk governance practice that is of the highest standards.
- A well-established Risk Management Committee appointed by the Board monitors and develops the Company's risk management practices and policies.
- The Risk Committee reports to the Board on its progress periodically.

The Role of Management in Assessing and Managing Climate Change-Related Risks and Opportunities:

- Robust Risk Management Framework enables effective management of risks throughout the value chain.
- Periodic horizon scanning and monitoring are required in this ever-evolving sector.
- Identification and assessing of material risks associated with the business is critical.
- Risk management policies assist in anticipating risks early and creating a risk management plan.
- Policies are periodically reviewed and enhanced based on the Company's requirements and sectoral changes.

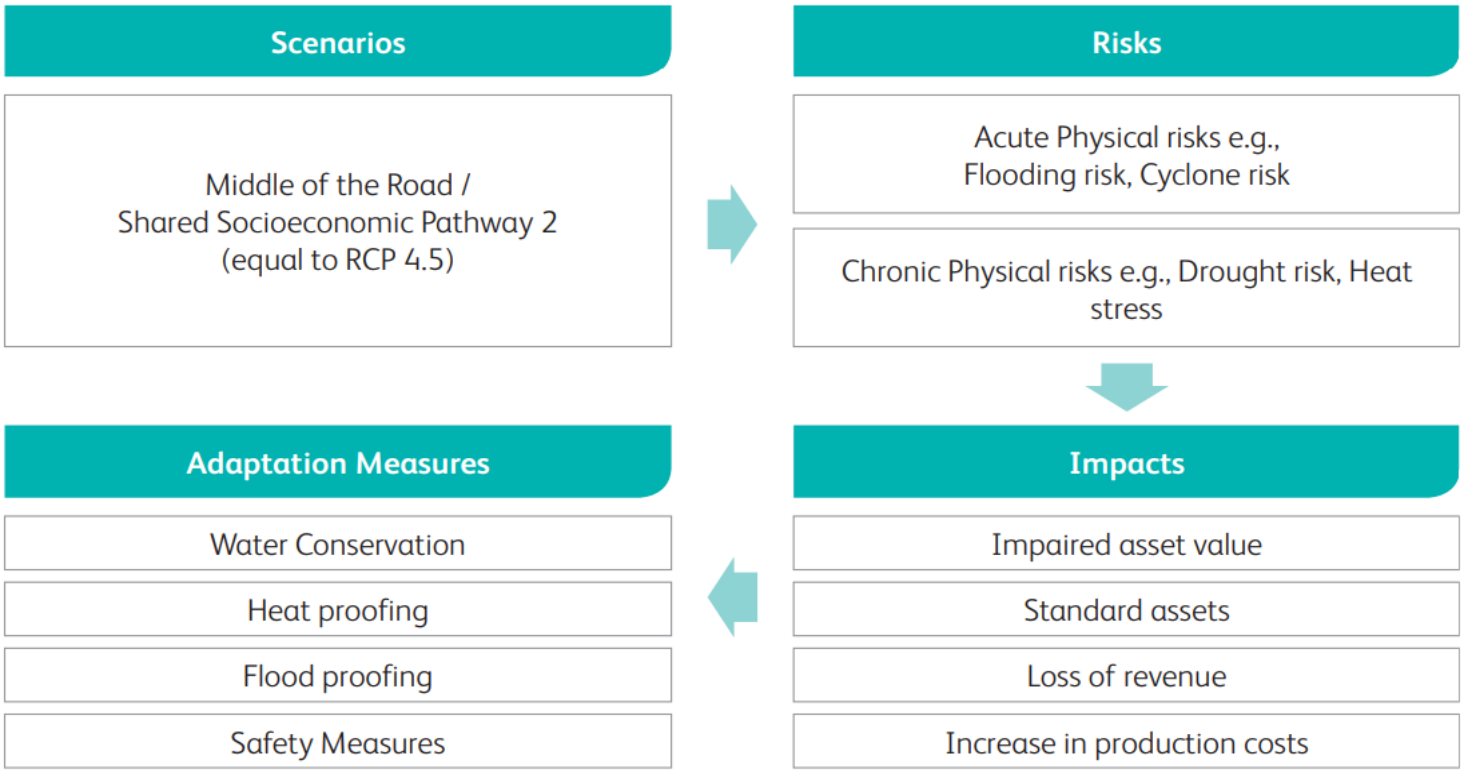
Strategy Short-, Medium-, and Long-term Climate-related Risks and Opportunities Identified by the Organization:

Our organization has recently completed its first physical climate risk assessment, which identified climate risks that may impact the organization in the short, medium, and long term over the next 30 years. The assessment covered all Laurus facilities in Vizag, including seven facilities, R&D centre and corporate office in Hyderabad, as well as Sriam and Laurus Bio Pvt Ltd.

Climate Risks Assessment:

Recognizing the urgent need to address climate change and its potential risks, to the environment, society, and business operations, we conducted our first physical climate risk assessment last year in alignment with recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). Our assessment involved identifying climate risks and hazards that may affect our operations over the next 30 years. The assessment covered all our facilities in Vizag, seven manufacturing sites, one R&D centre and one corporate office in Hyderabad. Additionally, we included SRIAM in Andhra Pradesh and Laurus Bio Private Limited in Karnataka in our analysis. The table below highlights the findings of the assessment:

Climate Risk Management Framework



Process for identifying and assessing climate-related risks

Projection of future emissions and human factors influencing the climate is a challenging task. The IPCC recommends utilizing a range of scenarios with diverse assumptions about future economic, social, technological and environmental conditions. These scenarios can help estimate possible ramifications of global climate change.

To assess physical risks until 2020-39 and 2040-2059 for all our business units, we employed SSP 2- RCP 4.5 as a scenario. The climate risk assessment utilized several indicators, including maximum and minimum temperature, precipitation, the number of very hot days (Tmax > 35°C), the largest 5-day cumulative precipitation, the maximum length of consecutive dry and wet spells, the number of heating and cooling degree days (ref 65o F), relative humidity, water stress, cyclones, change in wind speed and sea level rise. This comprehensive approach helped us identify and assess climate-related risks effectively.

The table below highlights the findings of the assessment:

Unit 1-6	R&D Unit	Laurus Bio private Ltd (Karnataka)	SRIAM	Laurus Synthesis Private Ltd	Corporate Offices
These business units face the highest risk due to sea level rise and an increase in	The R&D unit will experience the maximum length of consecutive wet spell	This plant will experience the maximum rise in temperature between	SRIAM will experience the largest 5-day cumulative	This company will face a rise in temperature	The corporate offices will face the maximum rise in

precipitation from 2020-39 to 2040-2059, potentially leading to excessive floods.	days, potentially impacting operations, and infrastructure.	2040-59 (0.93°C). It will also face an increase in the number of hot days, leading to heat waves that can impact occupants' health and infrastructure. The company will have significant water stress by 2060.	rainfall from 2020-39 to 2040-2059, increasing the risk of flooding. Additionally, it will have a considerable increase in relative humidity by 2060, which may drive up air conditioning and electricity costs and potentially promote mould growth in buildings.	(0.84°C) in 2030- 2050, leading to higher energy demand required for cooling and air conditioning	temperature (0.44°C) in 2020- 2039, resulting in a higher energy demand. The cooling degree days will be the highest for the corporate offices, indicating increased air-conditioning needs.

As a result, we are developing preliminary adaptation strategies to address these risks. In the coming years, we plan to carry out a detailed techno-feasibility and cost-benefit analysis to determine the implementation feasibility of these measures. This includes investment in renewable energy, green infrastructure and energy efficiency measures that can reduce costs and increase operational efficiency, implementing robust emergency response plans, and engaging with local communities and relevant stakeholders to support climate adaptation.

Greenhouse gas emissions and related risks

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, and significantly alter weather patterns. Climate change is undoubtedly one of the most significant challenges facing the planet today. At Laurus, we take our 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. We firmly believe that our actions can make a significant difference in mitigating the effects of climate change and building a sustainable future.

We used the following indicators to manage climate-related risks and opportunities:

- Greenhouse gas emissions (Scope 1, 2, 3)
- Total non-renewable energy consumption
- Total renewable energy consumption

Climate related Management Incentives (DJSI 2.5.6)

Employees are rewarded for their actions and efforts put towards organizations' climate risk management. We value and recognize individuals who go above and beyond. We have established department-specific ESG-related KPIs, including key indicators on environmental factors such as emissions, energy consumption, etc. If not carefully managed, these

factors can have a significant environmental impact and pose risks to the climate. When the team successfully manages performance against these KPIs and achieves their yearly goals, it positively impacts their overall annual performance review."

Emission Reduction Targets (DJSI 2.5.12)

Scope covered by the target	Target Timeframe	Baseline year emissions covered and as a % of total base year emissions	% reduction target from base year
Scope 1 + 2 combined or Scope 1 + 2 + 3 combined or Not Known	Base Year- 2021	Base year emissions: 316624 (mtco2e)	45% by 2030 100% by 2050
	Target Year- 2050	Percentage of total base year emissions: 100%	
Scope 1	Base Year- 2021	Base year emissions: 68321 (mtco2e)	45% by 2030 100% by 2050
	Target Year- 2050	Percentage of total base year emissions: 100%	
Scope 2	Base Year- 2021	Base year emissions: 248303 (mtco2e)	50% by 2030 100% by 2050
	Target Year- 2050	Percentage of total base year emissions: 100%	
Scope 3	Base Year- 2021	Base year emissions: 0 (mtco2e)	25% by 2030 100% by 2050
	Target Year- 2050	Percentage of total base year emissions: 100%	

Biodiversity

Embracing the significance of biodiversity for ecosystems and human well-being, we stand committed to proactive biodiversity management across our facilities. Our operations adhere closely to applicable laws, regulations, and guidelines for biodiversity conservation, reflecting our responsible corporate ethos. By intertwining sustainable practices with biodiversity considerations in our decision-making, we seek to minimize adverse impacts and amplify positive outcomes.

Awareness Initiatives

We foster a culture of biodiversity preservation among our workforce through targeted awareness endeavors:

- **Significant Celebrations:** Notable environmental milestones like World Environment Day, World Ozone Day, and Biodiversity Day are commemorated. These occasions serve as platforms for knowledge-sharing, workshops, and engagement activities that underscore the essence of biodiversity preservation.

- **Collaborative Actions**: Collaborating with the Andhra Pradesh Pollution Control Board (APPCB), we conduct various campaigns such as - Beach clean-ups, bicycle rallies, and tree planting initiatives align with our commitment to spreading awareness about biodiversity preservation and environmental consciousness. Plantation Drives We actively contribute to a greener environment and enriched biodiversity through focused tree planting:
- **In-House Plantations:** Around 1250 trees have been planted within our premises, beautifying surroundings, and fostering habitats for a diverse range of flora and fauna.
- "**Green Visakha**" Partnership: In alliance with the Andhra Pradesh Government, we partake in the "Green Visakha" initiative. Our participation extends to planting over 30,000 trees, a substantial stride toward enhancing regional environmental sustainability. Our dedication to biodiversity management resonates in both our mindful actions and collective engagement, fortifying a sustainable path for our business and the environment.

Product Stewardship

Product Design Criteria

Environmental criteria considered in the development of new products (and services):

Indicator	Information/Initiative
Choice of raw materials or components that have a lower environmental footprint	We have established mechanisms for sustainable sourcing of raw materials from suppliers who have established ESG sustainability practices aligned with ISO 14001 Environment Management System, ISO 45001 Occupational Health and Safety etc. We aim to explore and apply advanced technology platforms for pharmaceutical process development, striving for green chemistry, cost reduction, raw material optimization, and efficiency improvement. In FY24, our R&D platform for small molecules supported over 100 projects across drug substances and drug products. We qualified alternative flow techniques, such as plug-flow and microchannel reactors, to support NCE projects, thereby maximizing the utilization of our installed capacities.
Direct operations, production & manufacturing	In FY24, our R&D platform for small molecules supported over 100 projects across drug substances and drug products. We qualified alternative flow techniques, such as plug-flow and microchannel reactors, to support NCE projects, thereby maximizing the utilization of our installed capacities. During FY24, we added over seven continuous flow reaction projects and qualified commercial-scale continuous flow reactions (CFR), with further expansion into additional units. Our expanded flow process development capability at the R&D scale, including fixed bed reactors, has helped minimize our carbon footprint while enhancing efficiency and safety. Through commissioning of the solar project at Unit 2 and the adoption of biomass briquettes for units 3 and 5 resulted in scope 1 reductions.
Distribution, storage and transportation	We have automated our oral dosage films (ODF) production, closely controlling key factors such as film thickness and drying conditions, followed by accurate cutting and packaging at 564 pouches per minute. This ensures consistent quality and precise dosages, marking it as a dependable method for ODF manufacturing • Our bottle packing line uses an automated robotic system for assembling, sealing, and palletizing 200 bottles per minute,

	ensuring efficiency and accuracy while reducing packaging errors.
End of life management	Our approach to waste management is guided by the 3R principle of 'Reduce Reuse and Recycle. • Plastic waste is taken back from the market under extended producer responsibility (EPR) liability by authorized vendor for recycling and energy recovery. • Final disposal of product, raw material and water as per pollution control board guidelines and rules. • Hazardous waste is sent for safe disposal to authorized vendors for landfill, incineration and co- processing at cement kiln. • E-waste and Battery waste is sent to the approved recycler for safe disposal. • Bio- Medical waste is sent for incineration to authorized vendor for safe disposal. • Non–Hazardous waste is sent to approved vendor for safe disposal

Life Cycle Assessment (DJSI 2.8.2)

We completed LCA studies of two products by an independent external agency using professional software for LCA modelling. A cradle-to-gate assessment was done for Curcumin and Resveratrol. The assessment included the entire product lifecycle and emissions were included from raw material production (cradle) to the gate (until the stage at which the product is ready for use before it is transported.

Social Dimension

Labour Practices

Workforce Breakdown: Gender (DJSI 3.1.2)

Category	Employees	Unit	Employee count FY 2023-24
Management	Male	No.	6
	Female		0
	<30		0
	30-50		1
	>50		5
Other employees (Non-Management staff)	Male	No.	552
	Female		6

	<30		103
	30-50		414
	>50		41
Permanent work staff (unionized employees or workmen)	Male	No.	4.050
	Female		201
	<30		2,090
	30-50		2,132
	>50		29
Contract workers	Male	No.	6,235
	Female		32
	<30		1,918
	30-50		4,165
	>50		184
Others (Interns, trainees / apprentices, part time employees etc.)	Male	No.	0
	Female		5
	<30		5
	30-50		0
	>50		0

Diversity Indicator	Percentage (0 - 100 %)
Share of women in total workforce (as % of total workforce)	7%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	1.09%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	2.5%
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)	0
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.)	1.4%
Share of women in STEM-related positions (as % of total STEM positions)	0

Workforce Breakdown: Race/ Ethnicity & Nationality (DJSI 3.1.3)

Nationality	Share in total workforce (as % of total workforce)	Share in all management positions, including junior, middle and senior management (as % of total management workforce)
Foreign Nationals	0%	0%
Indian Nationals	100%	100%

Gender Pay Indicators (DJSI 3.1.4)

Indicator	Difference between men and women employees (%)
	FY 2023-24
Mean gender pay gap	21
Median gender pay gap	25
Mean bonus gap	3
Median bonus gap	0

Freedom of Association (DJSI 3.1.5)

Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY2023-24		
	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	-

Human Rights

Human Rights Due Diligence Process (DJSI 3.2.2)

We acknowledge the potential human rights risks associated with our business activities and their impact on our stakeholders. To address these risks, we conducted a comprehensive human rights due diligence/assessment via a recognized third party agency during the reporting year.

The assessment was conducted for six units situated in Andhra Pradesh. It identifies and evaluates human rights risks in Laurus Labs' operations, products, services, and supply chains. Our focus extends across multiple domains, including labor standards, health and safety, environmental practices, corporate ethics, and specific issues such as freedom of association, safe working conditions, fair wages, child labor, and discrimination. Our approach was aligned with UN Guiding Principles on Business and Human Rights and UNGC principles. Using a mixed-method research design, the assessment included quantitative surveys and qualitative data collection. We also constantly do a systematic periodic review of the risk mapping of potential human rights issues.

Focus of the Assessment

Risk Assessment - Conducted a comprehensive Human Rights Risk Assessment to identify, assess, and mitigate potential human rights impacts associated with Laurus Labs' operations, supply chain, and business relationships, in alignment with international human rights standards and principles.

Compliance Framework - Conducted a comprehensive assessment of Laurus Labs' compliance framework to evaluate adherence to International laws, regulations, and industry standards, focusing on Regulatory compliance (legal, healthcare, labor), Code of Conduct and ethics, Risk management and internal controls.

Grievance Redressal Mechanism - Conducted a comprehensive review of Laurus Labs' grievance redressal mechanism for external stakeholders, evaluating effectiveness in addressing concerns (customers, vendors, community) and compliance with international standards and regulatory requirements such as transparency, accountability and responsiveness.

Methodology Followed

Step 1 - Identified the scoping and Human Rights Contexts for Assessment
Step 2 - Prepared a data collection checklist, and identified human rights indicators
Step 3 - Analysed salient human rights issues and their subsequent severity
Step 4 - Prepared observations and mitigation plan to address the identified

Risk Assessment Criteria

With regards to the identification of risks, actual and potential risks may arise in the following areas of business:	In the context of the business, these translate to the following aspects:	Basis an understanding of the key business practices, the following key rights emerge:
1. Freedom of Expression	1. Decent working conditions and safe working environment	1. Right to privacy
2. Freedom of Association and Collective Bargaining	2. OJT training	2. Right to Human Dignity
3. Discrimination basis age, gender, case, religion, class or wages	3. Equal opportunities in recruitment and promotions	3. Right to equality
4. Risk management	4. Discrimination basis age, gender, case, religion, class or wages	4. Right to information
5. Supply chain and procurement	5. Environmental pollution	5. Freedom of speech and expression
6. Anti bribery and corruption	6. Punishment and unfair treatment	6. Freedom of association
7. Human Trials	7. Child/ forced Labour and slavery	7. Freedom of thought and religion
8. Customers	8. Whistleblowing	8. Right to health and safety
9. Security	9. Sexual Harassment	9. Right to fair labour practices
10. Community	10. Maternity Benefits	10. Right to assemble and protest (peaceful and unarmed)
11. Environment		11. Freedom from slavery and forced labour

The human rights risk assessment is conducted, by using 4X4 matrix below whereby the y-axis is severity of risk and impact, and the x-axis is likelihood of the risk occurring, to determine the significance of the human right issues-based severity and 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 dedicated to respecting and advocating for Human Rights and fair labor practices in everything we do. Our work is guided by a Human Rights policy that follows important international standards such as the Universal Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. We make sure this policy is followed throughout our supply chain, aiming to eliminate child and forced labor and create an environment of respect and dignity.
From clinical trials to product development, we focus on informed consent, data privacy, and fair treatment of all participants. Ethical research practices are essential to us because they help drive innovation and build trust in our industry. Although we do not have formal unions, we ensure our employees can express their concerns freely and without fear of retaliation, supporting an inclusive and open workplace culture.

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	64	0

Human Rights Mitigation and Remediation (DJSI 3.2.4)

Through a Human Rights Due Diligence process, various mitigation and remediation measures were planned:

Labour (child, forced, etc.) rights

- Explore possibilities of adjusting work schedules to meet employee preferences while maintaining productivity.
- Conduct management training on relevant legal requirements.
- Separate policy with regards to migrant labour could be formulated as per requirements
- Maintain current safety standards and regular audits
- Ensure more frequent supplier visits and consistent checks beyond initial stages.
- Introduce regular in-person visits and ensure HR-related questions are incorporated in supplier audits.

Employee Health and Safety

- Continuous monitoring and review of escalation procedures.
- Maintain current safety standards and regular audits.

Environmental Impact

- Maintain existing practices and conduct environmental impact assessments periodically.

Governance Aspects

- Ensure human rights aspects are fully integrated into the Supplier Code of Conduct evaluations.
- Provide training on anti-corruption measures and whistleblower policy.
- Encourage third-party contractors to establish independent HR policies for employees.

- Educate employees on their rights to form employee welfare associations while maintaining grievance handling mechanisms.
- Improve awareness on grievance escalation channels and ensure transparency in procedures.
- Update the POSH committee's structure to comply with regulations and conduct training for committee members.

Human Capital Management

Training and Development Inputs (DJSI 3.3.1)

Category	FY 2023-24
Average hours per FTE of training and development	11.53
Average amount spent per FTE on training and development.	621

Average training hours

Category	FY 2022-23	FY 2023-24
Management (Level 1-3)	2	5.19
Permanent Workforce	1.26	6.34
Contract Workers	0.66	2.69
Interns	0.91	1
Male	1.12	5.94
Female	1.44	6.09

Employee Development Programs (DJSI 3.3.2)

Category	Program 1	Program 2
Name & Description of the program	Leadership Development Program (LDP) "MANTHAN": This is an initiative designed to refine leadership skills, enhance decision-making capabilities, grow strategic thinking, and develop other critical managerial competencies. Laurus Labs has launched this program with the vision of nurturing future leaders who will be instrumental in propelling the company's growth.	Management Development Program (MDP): This year-long program is tailored for middle management teams across various functions, aiming to foster cross-functional collaboration and management excellence. Additionally, the top 25 participants receive executive coaching to further elevate their leadership abilities.
Business benefits of the program	By focusing on the development of essential leadership and managerial skills, this program is designed to prepare future leaders who can effectively drive the company's growth and success.	This program promotes cross-functional collaboration and management excellence among middle management teams. The executive coaching provided to the top 25 participants further enhances their leadership capabilities, contributing to the overall effectiveness and efficiency of the organization.

Hiring (DJSI 3.3.4)

Category	Employees	Unit	New employee hire FY 2023-24
Management	Male	No.	0
	Female		0
	<30		0
	30-50		0
	>50		0
Other employees (Non-Management staff)	Male	No.	374
	Female		58
	<30		339

	30-50		87
	>50		6
Permanent work staff (unionized employees or workmen)	Male	No.	725
	Female		43
	<30		693
	30-50		75
	>50		0
Contract workers	Male	No.	3,589
	Female		3
	<30		1,341
	30-50		2,226
	>50		25
Others (Interns, trainees / apprentices, part time employees etc.)	Male	No.	0
	Female		5
	<30		5
	30-50		0
	>50		0

	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total number of new employee hires	No	1209	1757	1074	702
Percentage of open positions filled by internal candidates (internal hires)	%	5.7	4.4	10	11
Average hiring cost/FTE INR	INR	766	628	877	826

Type of Performance Appraisal (DJSI 3.3.5)

Our performance management framework has incorporated frequent check-ins and agile goal setting in keeping with dynamic market conditions, enabling real-time performance adjustments and feedback.

Performance Management Appraisal System

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

Employee Support Programs (DJSI 3.3.7)

Our benefits and policies are the foundation of our workplace culture, demonstrating our commitment to creating an environment where employees can excel. These initiatives go beyond basic guidelines, aiming to build a supportive and empowering atmosphere.

Our partnership with the PRAAN Foundation has expanded the 'A Healthier and Happier You' Employee Assistance Programme (EAP). This includes new mental health resources such as access to online platforms and on-site mindfulness sessions, benefiting over 50 employees. These resources address a wide range of issues, from stress management to lifestyle challenges, ensuring employees have the support they need to succeed both personally and professionally.
We also promote physical fitness and teamwork by providing financial assistance for ground renovations and sponsoring individual athletes, encouraging a healthy and active lifestyle.

Additionally, we are enhancing communication channels through our programmes, Laurus Labs IGNITE and SANCHALAKS. These platforms are crucial links between employees and management. The annual Great Place to Work Survey - DARPAN reflects this positive engagement, showing significant improvements in job satisfaction and work environment, as seen in the enthusiastic participation of our employees.
Through these efforts, we are not just improving our workplace; we are creating a thriving community where every employee feels valued and empowered.

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 care giver) leave for 26 weeks)	Yes/No	Yes	Nil

Parental leave (paternity (non primary care giver) leave for 1 week)	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

Employee Turnover Rate (DJSI 3.3.8)

Category	Employees	Unit	Employee turnover rate FY 23-24
Management	Male	No.	0
	Female		0
	<30		0
	30-50		0
	>50		0
Other employees (Non-Management staff)	Male	No.	5.30
	Female		0.06
	<30		2.82

	30-50		2.47
	>50		0.07
Permanent work staff (unionized employees or workmen)	Male	No.	9.49
	Female		0.56
	<30		6.49
	30-50		3.52
	>50		0.07
Contract workers	Male	No.	28.94
	Female		0
	<30		14.11
	30-50		14.40
	>50		0.48

Others (Interns, trainees / apprentices, part time employees etc.)	Male	No.	0
	Female		0
	<30		0
	30-50		0
	>50		0

Category	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Employee turnover rate	%	14	15	19	17
Voluntary Employee turnover rate	%	-	-	-	-
Data coverage (as % of all FTEs globally)	%	100	100	100	100

Trend of Employee Wellbeing (DJSI 3.3.9)

Core Focus	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	What was your target for FY 2023-24?
Employee Satisfaction	% of employees with top level of engagement, satisfaction, wellbeing, or employee net promoter score (eNPS)	87.79	78	84	87	95
Data coverage	% of employees who responded to the survey	95	97	91	98	100

Occupational Health and Safety

OHS Programs (DJSI 3.4.2)

Workplace OHS risk and hazard assessments involve creating and integrating action plans with measurable targets to mitigate these risks. Our commitment to safety, health, and environmental stewardship is reflected in our comprehensive

EHS Policy, which aligns with Factory Rules and ISO 14001/45001 standards. This commitment extends across all manufacturing sites, R&D, supply chain, and business operations. We employ qualified EHS professionals throughout our operations to ensure that EHS considerations are integrated into all decision-making processes. Our risk assessments focus on identifying and mitigating significant environmental, health, and safety hazards, aiming to reduce risks to ALARP levels (as low as reasonably practicable). The risk assessment process follows a hierarchy of controls, prioritizing Elimination, Substitution, Engineering, and Administrative measures.

To ensure safety, we utilize a variety of risk assessment systems, spanning from new product introductions and hazard studies to containment control strategy assessments, all designed to minimize personnel exposure. We implement specific engineering controls, operational protocols, and personal protective equipment (PPE) to manage health risks effectively. Additionally, we conduct periodic risk-based medical surveillance to monitor and evaluate any health outcomes resulting from occupational exposures.
In FY 2023-24, we targeted to have zero fatality cases and zero LTIFR and achieved the same.

We have identified significant risk areas at our sites, such as working at heights, confined spaces, hot work, and excavation. To improve safety in these high-risk activities, we have updated our Permit to Work procedure across all manufacturing sites for FY 2023-24. The new procedure includes detailed safety measures, assigned responsibilities, communication protocols, energy isolation guidelines, and preparation protocols for hot work and confined space entry. Additionally, we have developed scaffold safety standards that comply with both Indian and international regulations. We hold regular, expertly designed training sessions to promote workplace safety. Our workforce receives comprehensive instruction on hazard identification, safe work procedures, self-protection measures, and emergency response protocols. These training programs include safety training, process education sessions, awareness campaigns, the implementation of safety signage, and emergency drills. In FY 2023-24, we conducted 64,977 hours of Occupational Health and Safety (OHS) training sessions. We encourage our employees to report unsafe conditions and empower them to stop hazardous activities whenever necessary. Our dedicated in-house training professionals work alongside external experts to ensure our workforce receives top-quality training.

Evaluation of progress in reducing/preventing health issues/risks against targets

We have a 'learning from incidents' forum for discussing the lessons from all incidents to ensure that the knowledge gained from the incident site is shared with other sites. This ensures that the same incident will not be repeated at other sites.

Internal inspections

The site EHS Team organizes daily Gemba walks. Monthly planned EHS inspections are conducted by the Leadership Team along with the site head. Line managers and higher-level staff also conduct behavioral observations/inspections every month. Last year, we introduced cross-site audits, where detailed EHS audits are conducted annually by the EHS Heads of other sites.

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

We encourage our workforce to actively report incidents and potentially unsafe conditions, no matter how small they may seem.

Active Employee Involvement:
Our employees are central to our safety efforts. They participate in preparing and reviewing risk assessments, joining safety committee meetings, investigating accidents, and collecting data on work-related hazards and mitigation measures.
Open Communication:

Workers are actively involved in preparing and reviewing risk assessments, participating in safety committee meetings, investigating accidents, and conducting campaigns to gather data on work-related hazards and mitigation measures.

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

Category	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Fatalities Employees	No	0	0	3	0
Fatalities Contractors	No	0	0	2	0
LTIFR (Employees)	No	0	0	0.23	0
LTIFR (Contractors)	No	0	0	0	0

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

Contribution to Societal Healthcare

Access to Healthcare Programs - Products and Drugs (DJSI 3.5.1) and Local Capacity Building (DJSI 3.5.2)

Innovation is a cornerstone of our business model. We endeavor to develop and deliver innovative medicines that create positive health outcomes for all our patients, with an unrelenting focus on access and affordability. Since inception, we have commercialized over 60 products across our three business segments: Generics API, Generics FDF and Synthesis. In the past two years, we have launched Oral Disintegrating Films (ODFs) and Trientine HCI.

- **Oral Disintegrating Films (ODFs):** We have undertaken extensive research and made significant investments to develop safer and more efficient drug delivery systems for pediatric and geriatric patients, supporting them to live healthier and longer lives. As a result, we develop Oral Disintegrating Films (ODFs) as an effective and safer alternative for these patient groups. These ODFs support higher patient acceptance and compliance, while also demonstrating higher efficacy and safety as compared to conventional dosage forms.

- **Trientine HCI:** Administration of Trientine HCI is fraught with challenges with respect to its stability with respect to storage conditions. Susceptible to turning into trihydrochloride at room temperature, we have been able to successfully omit this challenge by developing a more resilient form of Trientine HCI. This breakthrough ensures that Trientine HCl can be conveniently stored and transported without the need for strict temperature control, providing greater flexibility and convenience to suppliers and end-users.

In FY 2023-24, in partnership with ImmunoACT and backed by cutting-edge research from IIT Bombay we have launched NexCAR19, India's first CAR-t cell therapy. This is a significant step forward in the treatment of relapsed or refractory B-cell lymphomas and leukaemia and has been approved by the Central Drugs Standard Control Organisation (CDSCO). This treatment has shown promising results in clinical trials, offering a substantial overall response rate of approximately 70% and demonstrating a favourable safety profile devoid of common severe side effects like cytokine release syndrome (CRS) and neurotoxicity. With superior efficacy and emphasis on affordability and accessibility, NexCAR19 has made advanced treatment options available in resource-constrained settings.

Customer Relations

Ethical Marketing - Complaints Tracking (DJSI 3.6.2)

Complaint type	Number of complaints in FY 2023-24
Upheld regulatory complaints	0
Upheld self-regulatory complaints	0

Independent Assurance Statement

To The Management
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, 2023 to March 31, 2024 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
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 boundaries for the above topics include 6 Manufacturing Units and R&D Facility (Laurus Labs Limited, Plot No. 21, Jawaharlal Nehru Pharma City, Parawada, Anakapalli-531021, Andhra Pradesh, India). Onsite verification was conducted in May 2024. 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 is 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 express 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.

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 developed for the external issues reporting apart from whistle blower policy
- As LLL is reporting scope 3 emissions only 4 category may look for other too
- 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 for 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 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.

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-

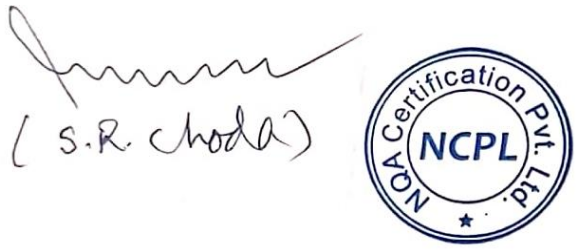
related issues. LLL initiated the process of establishing goals and targets against which performance will be monitored and disclosed periodically.
NQA expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. The intended 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



(Signature with Seal)

CIN-U74140KA1997PTC022121

nqa
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