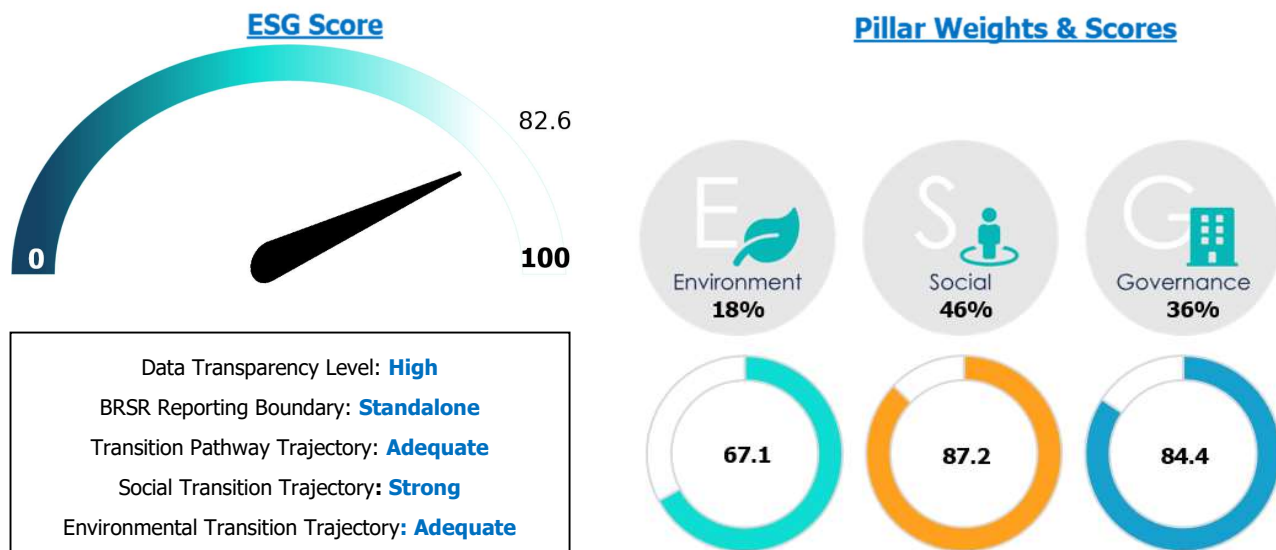


Rating Rationale

Laurus Labs Limited	Rating Symbol	Current Score	Rating Action
ESG Rating	CareEdge-ESG 1+	82.6	Assigned

* Please refer www.careedgeesg.com for detailed understanding of CareEdge-ESG's rating symbols and definitions.

Leadership position in managing ESG Risk through **best-in-class** disclosures, policies, and performance



All scores are on the scale of 0 – 100

Rating Scale



CareEdge-ESG Rating Assessment Criteria



India & globally aligned



Physical and Transition risk evaluation



Comprehensive analysis

Laurus' Policy Analysis



Comprehensive



Board approved



Regularly reviewed

Laurus' Initiatives Impact



Mitigation



Resilience

ESG Disclosures

BRSR Report

2025-2026

2024-2025

Integrated Annual Report

2025-2026

2024-2025

Rating Rationale

CareEdge-ESG has assigned an ESG rating of CareEdge-ESG 1+ with a score of 82.6 to Laurus Labs Limited (Laurus), reflecting a leadership position in managing ESG risk through best-in-class disclosures, policies and performance. The rating is anchored by Laurus' social score of 87.2 and governance score of 84.4, both well above the industry medians of 75.2 and 76.5, respectively; together, these two pillars account for 82% of the overall rating. Social strength is underpinned by an exemplary product quality record under a 'One Quality Standard for All Markets' philosophy, with no voluntary or forced product recalls, 132 regulatory and customer audits completed during FY26 with no critical findings, 54 regulatory inspections cleared across the US FDA, WHO, EMA and PMDA, and ISO 9001 certification at all sites . Occupational safety performance is equally strong, with zero fatalities, zero recordable injuries and a zero lost-time injury frequency rate, ISO 45001 certification across all manufacturing units and almost 100% of employees trained on health and safety. Access to medicine is a distinguishing feature, with the Affordable Medicines business, which contributes about 69% of revenue, supplying antiretroviral (ARV) medicines at scale to least developed countries, including through a multi-year supply partnership with the Global Fund. Governance strength is supported by 50% Board independence with an Independent Chairperson, fully independent Audit and Nomination & Remuneration Committees, separate, Board-approved and publicly disclosed Whistleblower and Anti-Corruption & Anti-Bribery policies, Board-level oversight of sustainability, 100% of Board members and KMPs trained on BRSR principles, and limited assurance of BRSR Core indicators by Deloitte Haskins & Sells LLP.

Laurus' environmental score of 67.1, in line with the industry median of 67.1. It is supported by near-term greenhouse gas reduction targets validated by the Science Based Targets initiative (SBTi) — a 42% absolute reduction in Scope 1 and 2 emissions and a 51.6% reduction in Scope 3 emissions per unit of value added by FY2030-31 against an FY2024-25 base year — ISO 14001 and ISO 50001 certified management systems across operations, a structured framework for assessing and minimising the discharge of active pharmaceutical ingredients (APIs) into wastewater to address antimicrobial resistance (AMR) risk and a waste recovery rate of 71.4%. However, the rating is constrained by emissions, energy, water and waste intensities that remain above peer medians, reflecting the Company's chemistry-intensive API manufacturing base, a renewable energy share of 2.4% against an industry median of 42%, a 23.2% increase in energy intensity during FY26 and water recycling of 20.1% of withdrawal against a median of 34.1%. Limited female representation and a wide gender pay gap, and limited employee coverage of Code of Conduct, anti-corruption and whistleblower training, are further areas for improvement. Addressing these gaps would further consolidate Laurus' leadership position and its alignment with evolving global sustainability best practices.

Social Score



For the pharmaceutical sector, social risk is concentrated in product quality, where a single quality failure could result in patient harm, regulatory sanctions and lasting reputational damage, and in occupational health and safety, given the hazardous nature of chemical processing. Recognising this, the CareEdge-ESG model assigns the highest weightage of 46% to the social pillar. Laurus' social score of 87.2, is well above the industry median of 75.2, reflects leading performance in the most material themes of product safety and quality, consumer protection and employee health and safety, as well as community support and development.

In the theme Product Safety and Quality, Laurus has received a score of 92.1 against an industry median of 67.0. The Company applies a 'One Quality Standard for All Markets' approach, maintaining identical GMP, quality and compliance standards. A common SOP structure is applied across the manufacturing network, audit-driven changes are implemented across all sites, and a dedicated Development Quality Assurance and Compliance function conducts regulator-style audits, random compliance verifications and cross-site assessments independent of routine site operations. All sites are ISO 9001 certified and the network undergoes more than 100 customer audits annually. During FY26, Laurus completed 132 quality audits with no critical findings, and it cleared 54 regulatory inspections across major regulators, including the US FDA, WHO, EMA and PMDA. No voluntary or forced product recalls were recorded. The Company is progressively digitizing its quality infrastructure through Electronic Laboratory Notebooks, a Laboratory Information Management System, automated validation workflows, electronic data capture, SAP integration and QR code-based controls, and it maintains a Healthcare Professional Engagement Policy.

In the theme of Consumer protection, Laurus has scored 95.3 against an industry median of 90.1. Laurus' ethical marketing principles are aligned with the Uniform Code for Pharmaceutical Marketing Practices (UCPMP) and embedded in its Business Code of Conduct and Ethics. The Company conducts structured customer satisfaction assessments and communicates product specifications, regulatory requirements and information relevant to continuity of supply directly to customers and marketing authorization holders. Customer complaints are investigated through its quality and customer relationship management systems, and 100% of consumer complaints were resolved during FY26 against a median of 97%, with no serious consumer-related concerns identified. Data security is backed by publicly disclosed Privacy and Information Technology policies and an ISO 27001:2022 certified information security framework, with network access control implemented at all locations and six phishing simulation and awareness drives conducted during the year. The Company reported no data breaches during FY26.

In employee health and safety, Laurus scores 93.9 against a median of 87.3. All manufacturing units are ISO 45001 certified, and hazards are identified before execution through Activity-Based Risk Assessments, HAZOP studies and Exposure Risk Assessments, with Job Safety Analysis for non-routine activities. A three-tier audit framework, comprising intra-unit, central and independent third-party audits, drives continual improvement, while employee-led programmes such as Shift Safety Champions, One-Day Safety Officer rotation, Behaviour-Based Safety conversations and a Safety Suggestion Scheme reinforce safety culture. The Company has entered Phase 2 of its SANKALP safety culture transformation programme in collaboration with the British Safety Council. Laurus reported zero fatalities, zero recordable injuries and a lost-time injury frequency rate of zero, against an industry median of 0.045, with 100% of plants and offices assessed on health and safety practices, 100% health and accident insurance coverage and all employees trained on health and safety. Its safety performance was recognised through the CII Andhra Pradesh Best Safety Performer 2025 award and the Fire Safety Excellence Award 2026. Employee wellbeing is further supported by an Employee Assistance Program offering access to professional psychologists and nutrition counselling.

In the theme of Human Capital, the company has a score of 50.7 against a median of 53.4. Laurus has an equal opportunity policy, a diversity and inclusion policy, accessible premises, a formal Policy on Grievance Handling and parental leave provisions that include adoption and surrogacy leave. Its learning architecture includes the management development programs, leadership programs, level-specific programs and the newly launched Laurus Learning portal, with 100% of employees receiving skill upgradation training against a median of 93%. Workforce stability improved significantly, with employee turnover declining to 10.0% in FY26 from 17.0% in FY25, below the median of 17.1%, while spending on employee wellbeing stood at 1.3% of revenue against a median of 0.35%. The Company was also certified as a Great Place to Work for the sixth consecutive year.

However, gender diversity remains a key gap: the female-to-male employee ratio of 0.10 is below the median of 0.12 despite improving from 0.08 in FY25, the female-to-male worker ratio is 0.01 against 0.12, and the median pay of female employees stands at 75% of that of male employees against a median of 98%, marginally lower than in FY25. The Company has no differently abled employees, and while the company actively promotes and supports employees' freedom of association, at the moment none of its permanent workforce is part of an employee union or association.

In community support and development, Laurus scores 84.1, against a median of 65.1. The Company is CSR compliant, undertakes impact assessments of its CSR projects and social impact assessments with no serious concerns identified, and directs 100% of CSR beneficiaries towards vulnerable and marginalised groups. Community grievances are addressed through designated points of contact at each unit, and all community complaints were resolved during the year. Access to medicine is a key differentiator: Laurus is among the world's largest third-party suppliers of ARV APIs and holds a multi-year strategic supply partnership with the Global Fund covering key ARV products, including TLD, TLE 400 and DTG, procured for Global Fund-eligible countries across Sub-Saharan Africa, a large share of which are least developed countries. Its CSR initiatives have supported around 500 pediatric cardiac interventions to date, including 125 during FY26. However, no CSR expenditure was directed towards Aspirational Districts during the year.

In value chain, Laurus scores 86.1 against a median of 74.6. A Supplier Code of Conduct covers labour practices, workplace safety, ethical conduct and human rights; suppliers are on-boarded only after evaluation against quality, EHS and sustainability criteria; and critical Tier-1 suppliers are subject to vendor audits. About 65% of Tier-1 raw material and packaging material spend was screened on ESG criteria, with all screened suppliers found compliant, and 65% of value chain partners were trained on BRSR principles against a median of 44%. The Company verifies statutory dues deposited by service providers before releasing payments, and management indicated that contractors are screened on registration, statutory compliance and worker-related requirements, including timely payment of contract workers. In human rights, Laurus' framework is aligned with the Universal Declaration of Human Rights, ILO standards and the UN Guiding Principles on Business and Human Rights, with the Head of Human Resources designated as the focal point, human rights clauses embedded in business agreements and 100% of plants and offices assessed on human rights practices. Human rights training covered all employees, and no human rights or POSH complaints were reported during FY26.

Overall, Laurus demonstrates a leading social framework underpinned by a best-in-class product quality and regulatory track record, zero-harm safety outcomes and a strong access-to-medicine proposition. Improving gender representation and pay parity, reflecting worker training in disclosures and enabling formal collective representation would further strengthen the Company's social performance.

Governance Score

CareEdge-ESG has assigned a governance score of 84.4 (industry median 76.5), reflecting sound ethical governance, effective Board functioning and robust oversight of the ESG agenda. Governance carries a weightage of 36% in the overall ESG rating for the sector. Laurus performs at or above the industry median in five of the six governance themes.

Business ethics, the most heavily weighted governance theme at 39% of the pillar, scores 87.1 against a median of 79.9. The Company complies with insider trading and related party transaction requirements, with no opposition votes recorded on related party transactions, and maintains separate, Board-approved and publicly disclosed Whistleblower and Anti-Corruption & Anti-Bribery policies along with ISO 37001:2016. The Code of Conduct and anti-corruption requirements are extended to the value chain, supported by Code of Conduct and anti-bribery training for vendors. The Whistle Blower Mechanism provides direct access to the Audit Committee with safeguards against retaliation, and conflicts of interest are managed through the Business Code of Conduct and Ethics, which requires disclosure of actual or potential conflicts. No serious concerns relating to corruption, conflict of interest or anti-competitive conduct were reported, and 100% of investor and shareholder complaints were resolved during FY26. However, there remains a scope to significantly improve the coverage of essential trainings such as anti-corruption, whistleblower and code of conduct. While mandatory compliance modules were deployed through the Learning Management System during FY26, expanding the coverage of these trainings remains a key area for improvement.

In Oversight on ESG, Laurus scores 84.3 against a median of 75.9. Sustainability matters are overseen by the Board through the Company's ESG governance framework, with the CEO and the Board reviewing and approving the BRSR annually. A dedicated sustainability team led by the Associate Vice President – EHSS manages environmental and sustainability programs, and the Board includes directors with sustainability expertise. Major policies are aligned with BRSR principles and approved by the Board, performance and compliance against them are reviewed annually with none pending, and business practices are periodically subject to independent third-party assessment. Laurus follows a materiality assessment aligned with GRI Standards that incorporates inputs from internal and external stakeholders, and it has published time-bound ESG targets spanning climate, energy, water, waste, biodiversity, human capital and supply chain. During FY26, 4% of R&D spend and 5% of capital expenditure were directed towards technologies that improve environmental and social impacts. Business continuity is governed by a documented plan that is tested annually and reviewed by the Management Review Committee. Reviewing ESG performance more frequently than annually would further strengthen oversight.

In the theme of Board composition the company in line with the industry median. The Company complies with the requirements for constituting the Audit, Nomination and Remuneration, Stakeholders' Relationship, CSR and Risk Management committees, along with Board independence and size, and the independence of the Audit Committee and the Nomination and Remuneration Committee. Half of the ten-member Board comprises Independent Directors, including the Chairperson, and the two women directors (20% of the Board) exceed the industry median of one. However, the Risk Management Committee, which also carries the ESG risk mandate, does not have an independent majority and is chaired by the CEO, and there is scope to improve representation of women in the senior management.

In terms of Board Functioning, the company is in full compliance on AGM disclosure and timeliness, Board and auditor rotation, Board meeting frequency and attendance, limits on external directorships, and the financial literacy, expertise and meeting frequency of the Audit Committee. All Board members and KMPs were trained on BRSR principles.

Overall, Laurus demonstrates a mature governance framework characterised by strong ethical policies, effective Board functioning, performance-linked remuneration and Board-level ownership of the ESG agenda. Expanding employee training on ethics and compliance, strengthening the independence of the Risk Management Committee and improving women's representation in senior management represent areas for further enhancement rather than material governance deficiencies.

Environment Score


Transition Pathway
Adequate

For the pharmaceutical sector, environmental impacts arise from solvent- and energy-intensive multi-step synthesis, the generation of hazardous waste and high-strength effluent, and the potential release of active pharmaceutical ingredients into wastewater, which can contribute to antimicrobial resistance. The environment pillar carries a weightage of 18% in the overall assessment. Laurus' environmental score of 67.1 is in line with the industry median, with above-median performance in effluent and waste, biodiversity and product footprint offset by below-median performance in carbon emissions and energy efficiency. Its intensity metrics are materially higher than those of formulation-focused peers, reflecting its API-led, chemistry-intensive manufacturing base.

In the theme of Effluent and waste, Laurus has a score of 71.2 against a median of 61.0. Laurus has a waste management policy and a publicly disclosed hazardous waste policy, together with a policy on AMR supported by a formal Standard Operating Procedure for evaluating and minimising API discharge into wastewater. API-related environmental risks are assessed using Predicted Environmental Concentration, Predicted No Effect Concentration and Risk Quotient calculations that factor in manufacturing losses, treatment efficiency and

dilution, with predefined mitigation measures where thresholds are exceeded; management confirmed that these assessments have been completed. A hierarchy of controls, including optimised equipment cleaning, reduced wet cleaning, elimination of direct sewer discharge of rejected material and spill prevention, limits API releases, while Continuous Emission Monitoring Systems track stack emissions, wastewater parameters and scrubber pH. Waste initiatives include solvent recovery across API sites, recovery of effluents from DMSO layers, redirection of LTDS wastewater to the Common Effluent Treatment Plant (CETP) for reverse osmosis treatment and reuse, and reduction of ETP sludge through lower ATFD salt moisture content and improved segregation. The waste recovery rate improved to 71.4% in FY26 from 66.4% in FY25, with 37,449 tonnes of waste recycled and reused and the remaining 28.5% safely disposed. The Company targets routing 80% of hazardous waste to recycling and co-processing by 2030 under a zero-waste-to-landfill ambition. However, waste generation intensity of 9.9 MT per ₹ crore of turnover, though 3.9% lower than in FY25, remains well above the industry median.

In Carbon and other emissions, the company has a score of 52.1 against a median of 66.7. The Company's near-term GHG reduction targets have been validated by the SBTi against a 1.5°C pathway, with unit-level decarbonisation roadmap developed to deliver the group-level targets through renewable power via power purchase agreements, biomass boilers, solar power and electrification of equipment. Initiatives include a 35 MT co-generation boiler producing both steam and about 4.5 MW of power, the use of biomass briquettes and waste heat recovery steam, the evaluation of PNG-based boilers, and the expansion of coal storage capacity to reduce moisture ingress, which saved 945 tonnes of coal; together, operational initiatives reduced emissions by 5,101 tCO₂e during FY26. Emissions data is externally assured, and the Scope 3 inventory was expanded from four to eleven categories. Scope 2 emissions intensity improved by 10.6% to 31.2 tCO₂e per ₹ crore, but Scope 1 intensity rose by 2.6% to 62.0 tCO₂e per ₹ crore. Renewable energy accounted for only 2.4% of total energy. A climate physical risk assessment has been carried out across all group entities.

In water usage and management, Laurus scores 71.0, marginally above the median of 70.4. The Company complies with the Water Act, has a water management policy and obtains external assurance of its water data. Water consumption intensity improved by 10.2% to 171.9 KL per ₹ crore of turnover, though it remains above the industry median. Initiatives such as reuse of MEE steam condensate and reject water in boilers, cooling towers and horticulture, RO treatment of Bio-ETP outlet water at the CETP for cooling tower make-up and boiler feed, diversion of pre-treatment rinse water and reuse of softener backwash water saved 1,15,643 KL of freshwater, and 3,42,862 KL of water was recycled across operations. However, water recycled or reused stood at 20.1% of withdrawal against a median of 34.1%, and water consumption is concentrated in water-stressed areas. As its units are located in industrial clusters where treated effluent must be sent to SPCB- authorised CETPs, zero liquid discharge is not applicable and possible at the unit level.

In Energy efficiency, Laurus has scored 70.7 against a median of 74.0. Laurus operates an ISO 50001 certified Energy Management System, has an energy usage target and obtains external assurance of its energy data. Initiatives during the year included LED lighting, VFDs, thermostats, centrifugal chillers and EC blowers for cooling towers, a connecting pipeline between utilities that allows a single chiller to serve multiple blocks at lower loads, IE3 motors with progressive replacement by IE4 and IE5 motors, and captive solar installations, together saving 38,19,211 kWh of energy. The Company received the State Energy Conservation Award (SECA-2025) from the Government of Andhra Pradesh. However, energy intensity increased by 23.2% to 818.0 GJ per ₹ crore of turnover in FY26, well above the industry median of 138.0, driven by higher coal consumption for co-generation and new capacity additions, with coal accounting for about 98% of energy from fuels.

In product footprint and stewardship, Laurus scores 76.2 against a median of 73.5. The Company has policies on environmentally responsible products, raw material monitoring and recycling and reduction of raw materials, and it reduces environmental impact at the process design stage through green chemistry, continuous flow chemistry and biocatalysis where technically feasible, alongside solvent recovery systems that reduce dependence on virgin materials. About 65% of raw materials were sourced sustainably, and management indicated that lower-impact processes and packaging are also being evaluated. However, the Company has not yet conducted a life cycle assessment of its products and does not have a product stewardship or LCA policy.

Biodiversity is a relative strength, with a score of 91.7 against a median of 75.0. Laurus has a separate, Board-approved and publicly disclosed biodiversity policy, and none of its operations are located in or around ecologically sensitive areas. A biodiversity assessment was undertaken in FY24, with the next planned for FY27, and the Company has set objectives relating to a comprehensive biodiversity risk assessment and conservation measures for endangered species and critical habitats, which management intends to extend to all units. The Company undertakes plantation drives and awareness program, and it supports ICRISAT and the maintenance of TTD Gardens at Tirumala through its CSR program. Biodiversity management plan objectives are yet to be reported, and greater detail on site-level biodiversity risks, mitigation measures and monitoring would provide further visibility into implementation.

Overall, Laurus demonstrates a well-structured environmental management framework, supported by SBTi-validated targets, certified management systems, a robust approach to AMR and API discharge risk and improving waste circularity. Delivering absolute reductions in Scope 1 and 2 emissions, materially increasing the share of renewable energy, arresting the rise in energy intensity, improving water recycling and completing life cycle assessments for key products would further strengthen the Company's environmental performance.

Key Rating Drivers

Strengths

Best-in-class product quality and regulatory track record

Laurus has established a strong product quality and compliance framework, supported by a harmonized quality management system, an independent Development Quality Assurance and Compliance function, and ISO 9001-certified facilities. The company has maintained a clean product quality record with no product recalls and has consistently demonstrated robust quality oversight through extensive internal and external audits without critical observations. Further, its manufacturing facilities have successfully undergone inspections by leading global regulatory authorities, including the US FDA, WHO, EMA, and PMDA, underscoring its strong operational controls, regulatory preparedness, and commitment to maintaining high standards of product safety and quality across markets.

Zero-harm occupational safety performance backed by robust systems

Laurus reported zero fatalities, zero recordable injuries and a zero lost-time injury frequency rate during FY26. All manufacturing units are ISO 45001 certified, risks are assessed through HAZOP, activity-based and exposure risk assessments, and a three-tier audit system and employee-led safety programs, including the SANKALP culture transformation program with the British Safety Council, reinforce safety practices.

Strong access-to-medicine proposition and community engagement

The Affordable Medicines business, which contributes about 69% of revenue, supplies ARV APIs and formulations at scale to low-income markets, including through a multi-year supply partnership with the Global Fund. Community program reach vulnerable and marginalised groups exclusively, CSR obligations have been fully met over the last three years, and around 500 pediatric cardiac interventions have been supported to date.

Sound ethical governance, effective Board functioning and Board-level ESG oversight

Laurus maintains separate, Board-approved and publicly disclosed Whistleblower and Anti-Corruption & Anti-Bribery policies extended to its value chain, with no serious ethics-related concerns reported. The Board has 50% independence with an Independent Chairperson and complies with all Board functioning requirements. Sustainability is overseen at Board level, policies are aligned with BRSR principles and SBTi-validated climate targets provide an external benchmark.

Weaknesses

High environmental intensity and low share of renewable energy

Scope 1 and Scope 2 emission intensities of 62.0 and 31.2 tCO₂e per ₹ crore, energy intensity of 818.0 GJ per ₹ crore and waste intensity of 9.9 MT per ₹ crore remain well above industry medians, and energy intensity rose by 23.2% during FY26. Renewable energy accounts for only 2.4% of energy consumption against an industry median of 42%, and coal accounts for about 98% of energy from fuels, making the delivery of the SBTi-validated absolute reduction target a key monitorable.

Low employee coverage of ethics and compliance training

Despite a well-defined ethics and governance framework, there remains an opportunity to further strengthen employee awareness and engagement on key ethics-related policies and mechanisms. Training coverage across areas such as the Code of Conduct, anti-corruption and anti-bribery practices, and the whistleblower framework appears limited relative to broader industry practices

Gender diversity and inclusion gaps

Female representation remains low, with a female-to-male employee ratio of 0.10 and worker ratio of 0.01, and no women in senior management. The median pay of female employees is 75% of that of male employees against an industry median of 98%. The Company has no differently abled employees. Additionally, while Laurus actively promotes and supports employee and worker rights regarding freedom of association there is currently an absence of union membership among Laurus Labs employees and worker.

Scope to improve water circularity

Water management remains an area with scope for further enhancement, particularly given the Company's operations in water-stressed regions. While initiatives for water recycling and reuse are in place, increasing circular water use and further strengthening water stewardship practices could help improve long-term resource resilience and support sustainable operations.

Key ESG Parameters of Laurus Labs Limited

Parameters	Unit	FY 2026	Industry Median
Environment			
Scope 1 intensity	tCO2e/INR crore	62.0	3.4
Scope 2 intensity	tCO2e/INR crore	31.2	8.2
Energy intensity	GJ/INR crore	818.0	138.0
Water consumption intensity	KL/INR crore	171.9	90.0
Waste generation intensity	MT/INR crore	9.9	2.4
Social			
Employee turnover	%	10%	17%
Female to male employees' ratio	Per 100 male employees	10	12
Female to male employees' median pay	Per Rs. 100 of male employees' median pay	75	97.5
Health & safety complaints	#	0.0	0.0
Health insurance coverage	%	100.0%	100.0%
Accident insurance coverage	%	100.0%	100.0%
Differently abled workforce	% of total workforce	0.0%	0.0%
Workforce fatality rate	Per employee	0.0	0.0
Governance			
No. of female in board	#	2	1
% board members trained on BRSR	%	100.0%	100.0%
% KMPs trained on BRSR	%	100.0%	100.0%
Income gap ratio (CEO pay to median pay of employees)	X:Y	491:1	428.1:1

Data source: company information, public sources, CareEdge-ESG research & analysis

KL = kiloliters | MT = metric tons | GJ = gigajoules

Rating Sensitivities

Positive Factors

- Reduction in absolute Scope 1 and 2 emissions in line with the SBTi-validated pathway
- Material increase in the share of renewable energy in total energy consumption
- Sustained improvement in energy, water and waste intensities and in water recycling
- Universal employee coverage of Code of Conduct, anti-corruption and whistleblower training
- Improved female representation across the workforce and senior management, and narrowing of the gender pay gap
- Completion of life cycle assessments for key products

Negative Factors

- Any product recall, warning letter, import alert or other adverse action by a major regulator

- Occurrence of a fatality or serious safety incident across employees or contract workers
- Deviation from the SBTi-validated emissions reduction trajectory or further rise in energy intensity
- Material environmental non-compliance, including at shared CETP infrastructure
- Further widening of the CEO pay ratio or the gender pay gap
- Any material governance lapse, ethics violation or data breach

Analytical approach

Rating boundary: CareEdge-ESG has considered standalone data of Laurus Labs Limited for the assessment. The same is in line with its disclosure in the BRSR.

Methodology/Criteria

For detailed understanding of the criteria and methodology used by CareEdge-ESG, please refer to the methodology document available on www.careedgeesg.com

About the company and industry

Laurus Labs Limited, incorporated in 2005 and headquartered in Hyderabad, is a research-driven pharmaceutical and biotechnology company with an integrated presence across Active Pharmaceutical Ingredients (APIs), Finished Dosage Forms (FDFs) and Contract Development and Manufacturing Organisation (CDMO) services. Over two decades, the Company has evolved from a focused API manufacturer into an integrated platform supporting the pharmaceutical value chain from early-stage development to commercial-scale manufacturing.

As of FY26, Laurus operates 15 manufacturing sites, including 7 US FDA-approved facilities, with about 8,200 KL of reactor capacity, 12 billion units of oral solid dosage capacity and 240 KL of fermentation capacity. Revenue from operations for FY26 stood at ₹6,813 crore, a 23% year-on-year increase, while EBITDA reached ₹1,826 crore with an EBITDA margin of 26.8%.

The Company operates through two segments: Affordable Medicines, comprising APIs and formulations with particular strength in antiretroviral, cardiovascular, CNS, oncology and anti-infective therapies, which contributed about 69% of FY26 revenue; and CDMO, which contributed 31% and has an active pipeline of more than 125 projects across human health, animal health and crop science. Laurus operates six R&D centres with over 1,540 R&D scientists, invested about ₹282 crore in R&D in FY26 and has capabilities spanning flow chemistry, bio catalysis, fermentation, peptides, gene therapy and antibody-drug conjugates. It serves more than 275 customers, including seven large global pharmaceutical companies.

Laurus operates within the global pharmaceutical and outsourcing industry, which is expected to grow from about USD 1.94 trillion in 2025 to USD 2.63-2.66 trillion by 2030. India's CDMO industry is expected to grow

from about USD 26 billion in 2025 to nearly USD 58 billion by 2031, supported by global supply chain diversification, positioning Laurus to benefit from both structural demand for affordable medicines and increased outsourcing of complex development and manufacturing.

Source of information

While assigning the ratings, CareEdge-ESG has considered publicly available information such as annual reports of the company and other policies, sustainability reports, certifications, BRSR reports, additional information and comments provided by the company.

Status of non-cooperation with previous ERP: Not applicable

Rating history for last three years:

Sr. No.	Name of Product	Current Rating		Rating history		
		Rating	Score	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
1	ESG Rating	CareEdge-ESG 1+	82.6	-	-	-

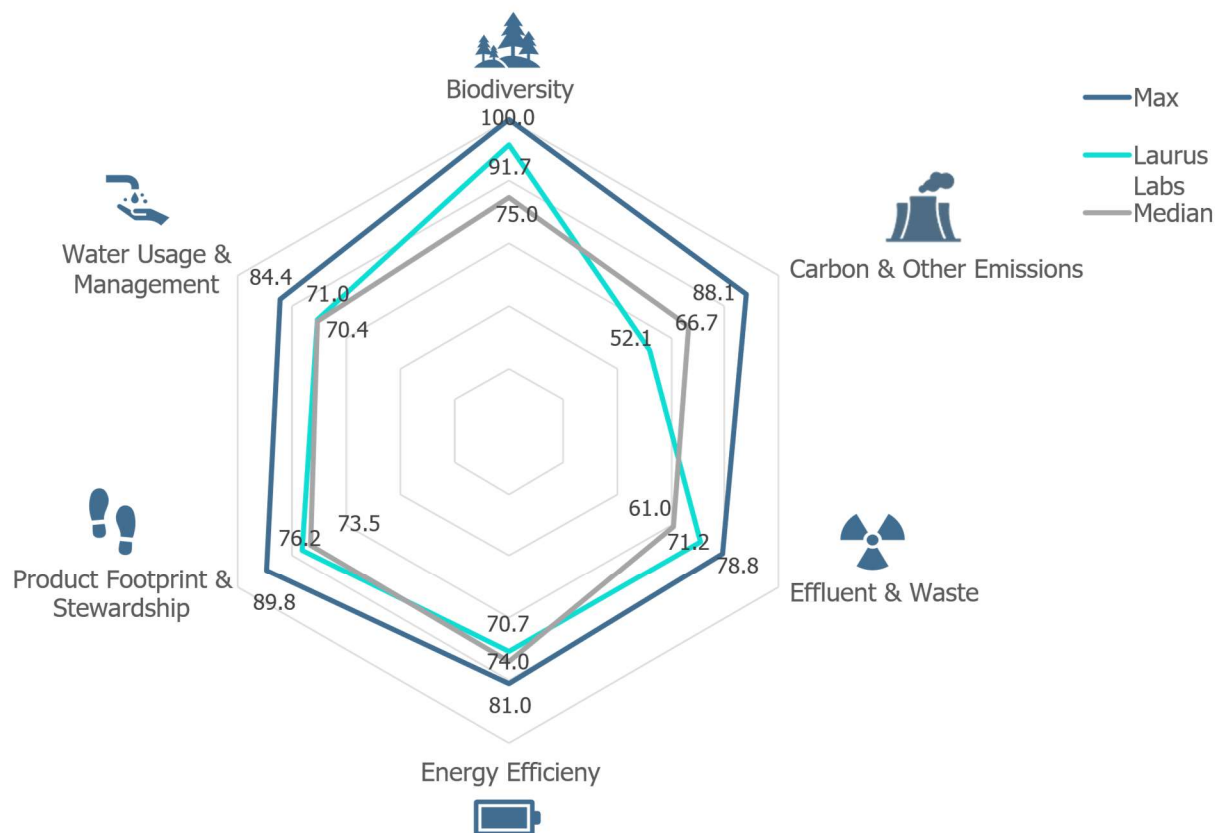
Annexure: Graphical summary of key rating drivers¹

Hierarchy: While arriving at pillar level scores for Laurus Labs, CareEdge-ESG has assigned theme weights based on relative importance and sectoral hierarchy as depicted in the exhibit below.

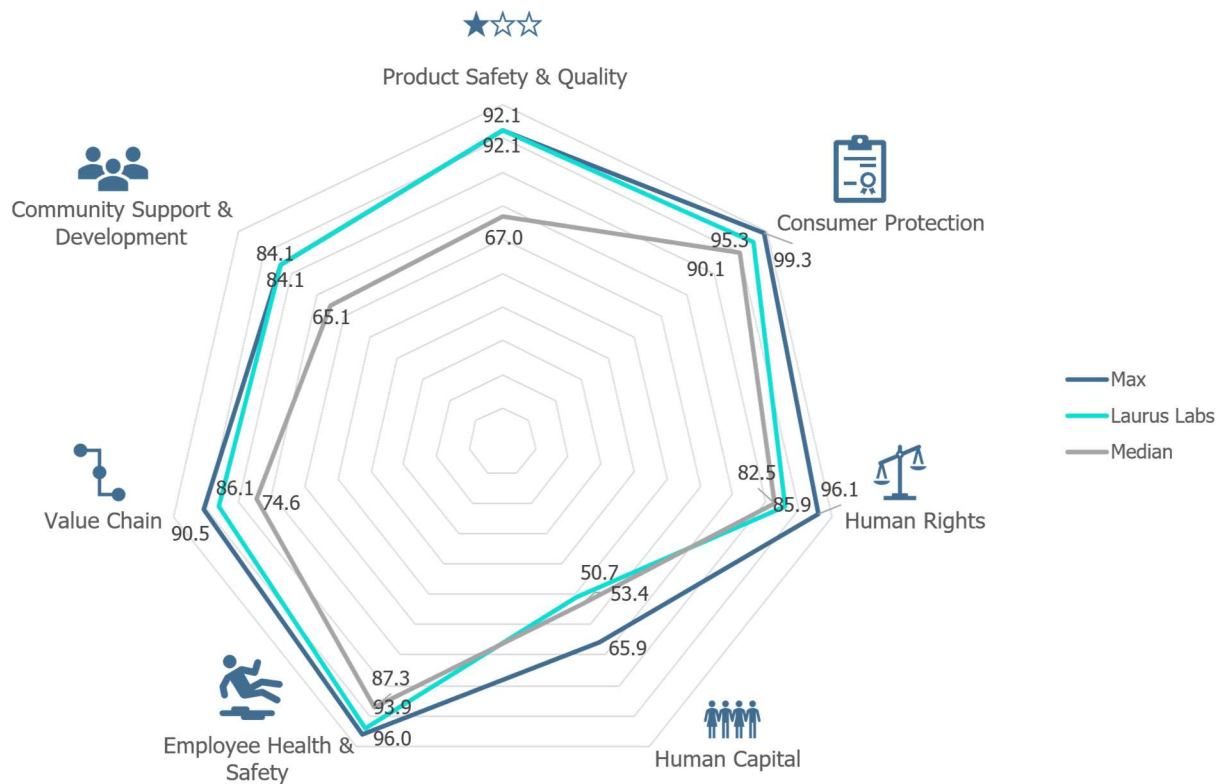
Materiality	Environment	Social	Governance
H I G H	 Effluent & Waste	☆☆☆ Product Safety & Quality	 Business Ethics
	 Carbon & Other Emissions	 Consumer Protection	 Oversight on ESG
M E D I U M	 Water Usage & Management	 Employee Health & Safety	 Board Composition
	 Energy Efficiency	 Human Capital	 Reporting, Filing & Disclosures
L O W	 Product Footprint & Stewardship	 Community Support & Development	 Board Functioning
	 Biodiversity	 Value Chain	 Remuneration
		 Human Rights	

¹ Comprehensive analytical insights, inferences and benchmarking is provided in CareEdge-ESG's detailed ESG Report

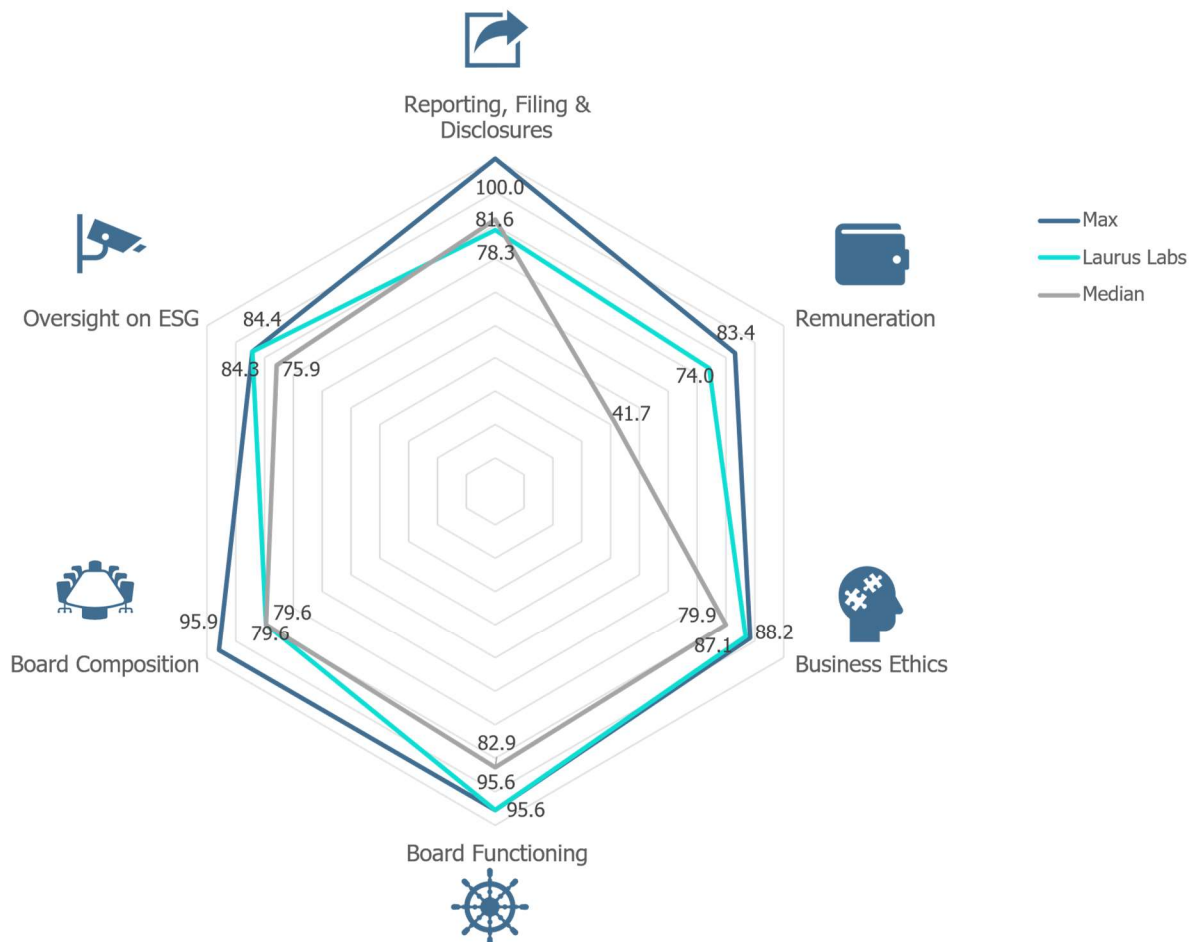
Environment Pillar: Laurus Labs' theme-wise performance and industry benchmarks



Social Pillar: Laurus Labs' theme-wise performance and industry benchmarks



Governance Pillar: Laurus Labs' theme-wise performance and industry benchmarks



Summary of Pillar & Theme Scores

Theme	Laurus Labs	Industry Median
Biodiversity	91.7	75.0
Carbon & Other Emissions	52.1	66.7
Effluent & Waste	71.2	61.0
Energy Efficiency	70.7	74.0
Product Footprint & Stewardship	76.2	73.5
Water Usage & Management	71.0	70.4
Total Environment Score	67.1	67.1
Product Safety & Quality	92.1	67.0
Consumer Protection	95.3	90.1
Human Rights	85.9	82.5
Human Capital	50.7	53.4
Employee Health & Safety	93.9	87.3
Value Chain	86.1	74.6
Community Support & Development	84.1	65.1
Total Social Score	87.2	75.2
Reporting, Filing & Disclosures	78.3	81.6
Remuneration	74.0	41.7
Business Ethics	87.1	79.9
Board Functioning	95.6	82.9
Board Composition	79.6	79.6
Oversight on ESG	84.3	75.9
Total Governance Score	84.4	76.5
Total ESG Score	82.6	74.0

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