

Sustainability Report 2020-21

"In every molecule is the possibility of better health."

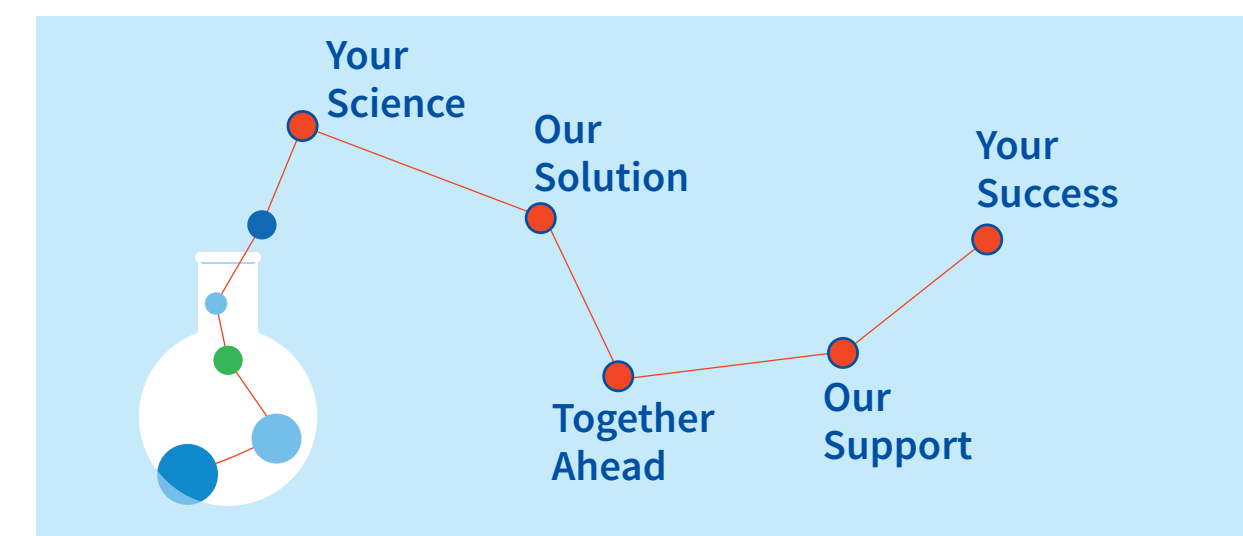
Our purpose helps us every day. By integrating EHS and sustainability management into one unified program, we strengthen the foundation for compliance, consistency and continuous improvement.

Overview

GVK Bio is now **Aragen**



"We continue to re-align our service portfolio in the Life sciences sector with current global market needs to keep the wheel rotating. Our partner for R&D and manufacturing needs that transforms your ideas into solutions, keeping you ahead in the race for better health."



This is our new Identity, the symbol Aura – an acronym of our distinctive qualities: Ambitious, Understated, Resilient, and Agile. The colours - deep blue conveys the possibilities of science, and vibrant orange symbolizes life and better health

The Year 2021 marks the 20th anniversary of GVK BIO's resilient growth story and its transformation into Aragen; a trusted R&D and manufacturing partner to the global life sciences industry. With Aragen, we unveil a new brand identity, an inspiring purpose, and a promise to customers: Together Ahead. Sustainability is a vital component of Aragen's business. As a responsible corporate citizen, Aragen is committed to sustainable development. We focus on continually strengthening governance and improving our operation's social, environmental, and economic performances through regular engagement with stakeholders. Sustainability has been integrated into Aragen's EHS programs, and thus we strengthen the foundation for compliance, consistency, and continuous improvement.

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Your Science.
Our Solutions.
Together Ahead

Our Commitment towards Sustainability



Manni Kantipudi
CEO & Director, Aragen

Dear Shareholders

Welcome to the Aragen Sustainability report 20-21.

In this time of uncertainty, our company has worked through the ongoing global health pandemic. Aragen has a core value of “Safety and Compliance Always” and through this challenging time, we have been taking several precautions at the company to ensure our employees are safe and that the projects are progressing as planned. We have undertaken various measures to protect our employees and to mitigate risks to the business. Our Discovery and Development/ Manufacturing operations are set up in two cities, for risk mitigation. Discovery sites are located in Bangalore and Hyderabad, while Development/ Manufacturing sites are located in Vizag and Hyderabad, providing geographical diversity to our customers in the event of a temporary impact at one of our sites. Each of our sites is self-sufficient, can operate independently, and have their

warehousing for chemicals, and utilities. We are dual sourced for most raw materials and have engaged preferred partners that can supply us at short notice. To the extent possible we have at least two suppliers for each program and have built-in geographical diversity in the supply chain. We have strong leadership at both the scientific and organizational levels, and decision-making can be rapidly delegated to the next level down with minimal impact on our customer projects. We have added to our pool of scientists and engineers, and they can rapidly be assigned to projects if need be.

As customers became wholly dependent on us during the pandemic period, it was imperative that we delivered to their needs while ensuring the safety of our employees. Through several innovative measures, including a novel shift working system, formation of work clusters, RFID-tagged badges to ensure social distancing, touchless systems for employee entry, and Aragen-organized transport for travel to and from work, we continue to exceed customer expectation, with no serious health issues among any of our employees.

With these measures taken, this marks a major milestone in our journey to mitigate any long impact for our customers while ensuring the safety of our employees. Hence this has been a year of significant progress for Aragen by being sustainably responsible. And we further strive to continue to

deliver products that enable our customers to make better health possible while considering the health, wellbeing, and happiness of our people.

Over the past 3 years, we have grown by 43 % by revenue (including our overseas operations). While we are excited to have a plan in place to grow further by many folds in the CDMO industry, our commitment to sustainable development remains unchanged. Though we are pleased with the results of our sustainability initiatives; we also understand the need to accelerate our plans to review the footprint and targets. Environmental and societal considerations are increasingly important for our business as well as for our global healthcare customers.

Our recent transformation from GVK into Aragen provided us with the opportunity to further accelerate our international expansion in customer reach. We also recognize that sustainability is not just a set of programs but an integral part of our day-to-day operations across the levels in all the verticals.

I would like to thank all our employees and internal stakeholders for maintaining and enhancing our approach to sustainability. We are demonstrating the good work done by our employees by their commitment, interest, and innovation are shared in this sustainability report.

About this Report

Aragen is a trusted R&D and manufacturing partner to the global life sciences industry. From concept to commercial, we transform the ideas into solutions for better health. At Aragen, we deliver products that enable our customers to make better health possible. What we do impacts lives, so as an organization, we are deeply committed to the quality, safety, and effectiveness of our solutions.



Principles of Accounting

Aragen's financial reporting is carried out in accordance with the provisions of Indian Laws and Rules.

Sustainability report in accordance with GRI Standards

This report has been prepared in accordance with the GRI Standards:

Core option. It covers our financial year performance for the period from 1st April 2020 to 31st March 2021. We have not published our sustainability report for the financial year 2019-2020 due to COVID pandemic. As Aragen, this is our first sustainability report following the principles of GRI and we expect to continue to report on an annual basis. We have also aligned our commitments and initiatives with the UN Sustainable Development Goals (SDGs). We have included performances across sustainability parameters for the previous two financial years to showcase improvement on a year-on-year basis. Through this report, we would like to bring out the progress and transformations the company has undergone over time towards achieving sustainable goals and thus disclose our approach, commitments, and impact. The GRI index provides an index of GRI indicators and their locations within this report.

Scope

This report covers all the operations of Aragen including Research & Development (R&D) & Manufacturing locations across India and R&D in California (USA). We have our global headquarters located in Nacharam, Hyderabad, India with 2 manufacturing facilities and 4 R&D campuses.

The 2 manufacturing facilities in India are located at;

- Nacharam, Hyderabad, India,
- Visakhapatnam, India,

The 4 R&D campuses are located at;

1. Nacharam, Hyderabad, India,
2. Mallapur, Hyderabad, India,
3. Bengaluru, India, and
4. Morgan Hill, California, USA.

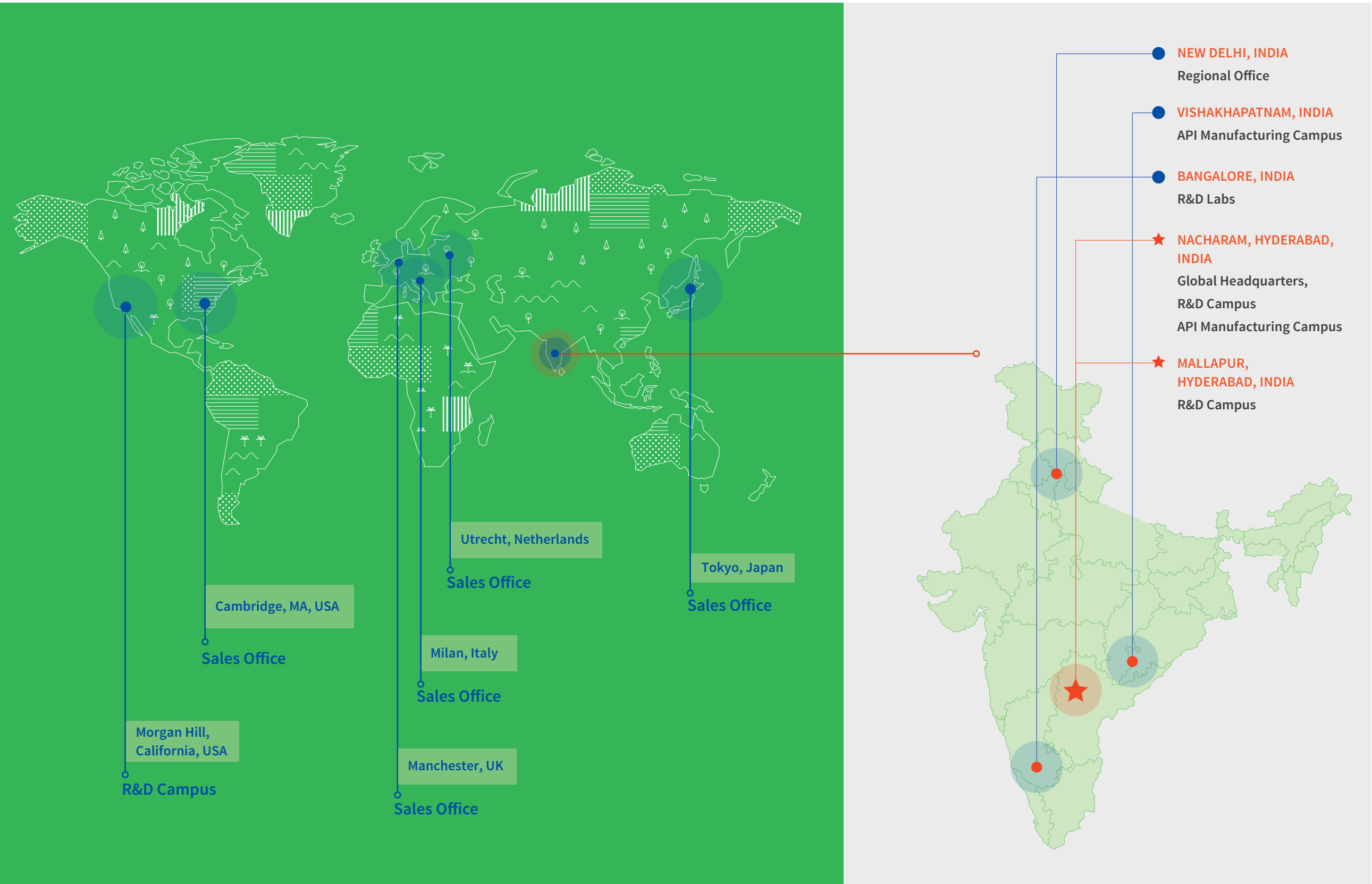
Information related to the other business units such as joint ventures, subsidiaries, leased operations, outsourced operations, and services is not included in the report boundary. We appreciate your suggestions and comments on the report, so we can improve our future reports and hence we encourage you to share your feedback on this report.



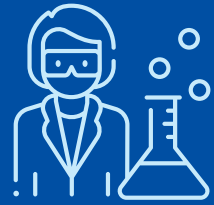
Contact for feedback and Queries

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Our Foot Print



Aragen is headquartered in Hyderabad, India, and has operations in Hyderabad, Visakhapatnam, Bangalore in India, and California, USA. We are a team of over 2900+ highly qualified scientists, backed by well-defined and scalable processes, modern facilities, and a strong customer-centric partnering approach. Our distinctiveness comes from our expertise in the breadth and depth of services that we provide in drug discovery and development. Our expertise and experience have enabled over 450 customers in advancing their research programs from discovery through commercialization. Aragen's innovative mindset, infrastructure, flexible business models have enabled us to serve large pharma or biotech, agrochemical, animal health, and performance chemical industries globally.



2,900+ SCIENTISTS
INCLUDING **400+** PHDS



450+
CLIENTS GLOBALLY



5 CAMPUSES IN INDIA



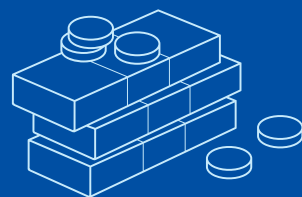
2931 AS OF 31 MARCH 2021

84%

16%



20% INCREASE IN
REVENUE IN FY 2020-21



₹ 60.1 MILLION CSR
SPENDING FY 2020-21

MARKETS SERVED



PHARMACEUTICAL
AND BIOTECH



ANIMAL HEALTH



AGROCHEMICAL



NUTRITION



PERFORMANCE
CHEMICALS

Sustainability at Glimpse

11334 MILLION

INR Revenue from FY 20-21

20%

Increase in Revenue from Last Financial Year

₹ 217.46 CR

Profit before tax for FY 20-21

60.7 MILLION

INR spent on social wellness

54%

Increase in Renewable energy in FY 20-21

TARGET

To achieve Carbon Neutral by 2030

TARGET TO ACHIEVE

Zero waste to landfill by 2025

13 THOUSAND M³

water consumed / Bn of Revenue

69K

Training hours in FY 20-21

WORKER'S HEALTH & SAFETY

Is our top priority

13 THOUSAND M³

Water consumed / Bn of Revenue

16% WOMEN

Employees to diverse workforce

About Aragen

Aragen Life Sciences Private Limited is a trusted R&D and manufacturing partner to the global life sciences industry. From concept to commercial, we transform people's ideas into solutions for better health.

Whether large pharma or biotech and agrochemical or animal health company, we provide global resources and proven capabilities at every stage of the biopharma lifecycle, in small and large molecules. Our ability to offer end-to-end solutions or support standalone programs is underpinned by an innovation mindset, enabling technologies, and a partnership approach to every engagement.

At Aragen, we recognize that people's work is vital, urgent, and impacts lives. Our purpose, 'In every molecule is the possibility for better health' motivates us to drive the success of your programs, so that we can together transform hope into health for millions of people around the world.

New Brand **Identity**

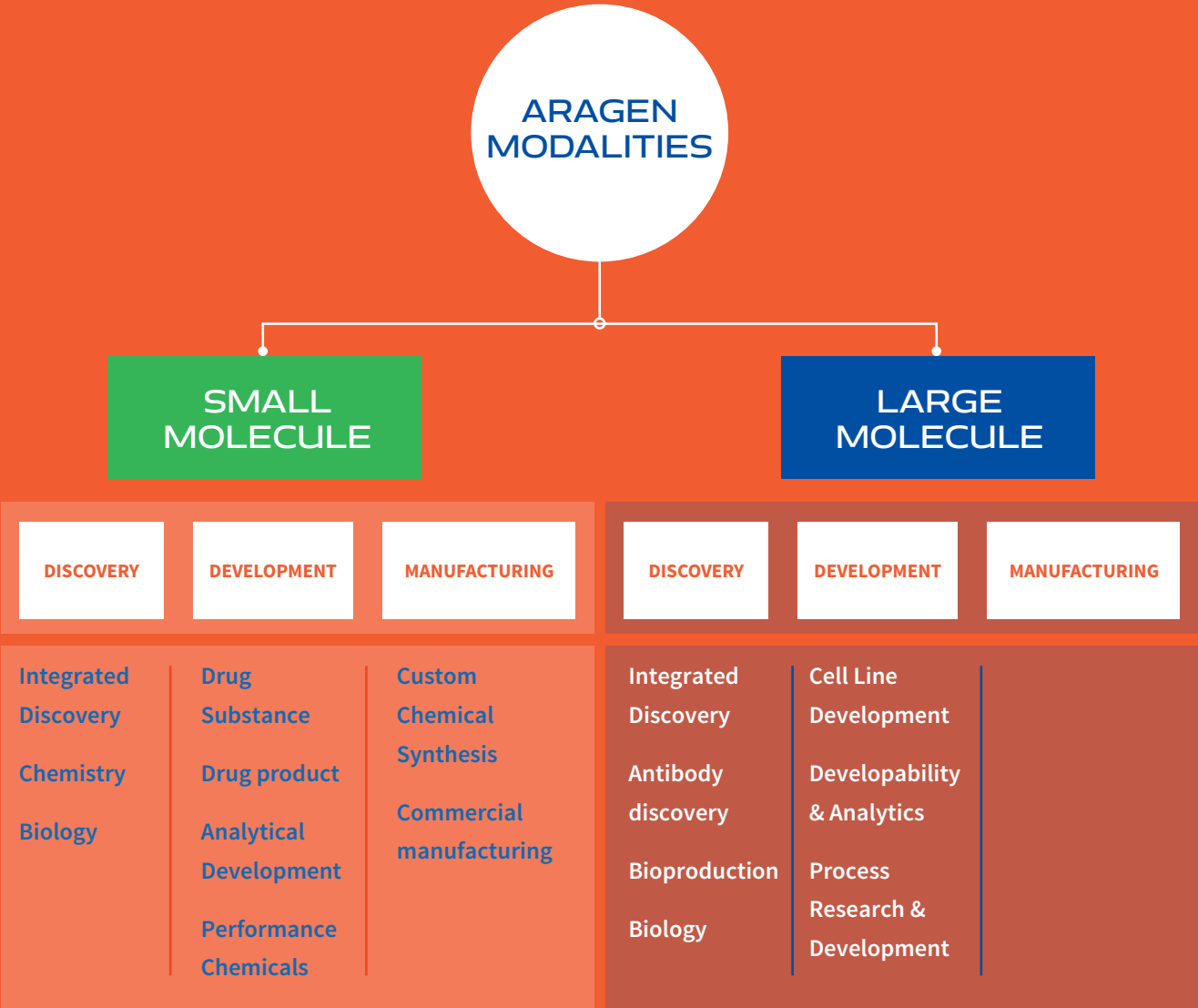


GVK BIO is now Aragen. After two decades of transforming ideas into solutions, we have now committed ourselves to the next phase of growth. "In every molecule is the possibility for better health". This is our promise. It inspires us every day. We are focused on becoming the partner of choice to the global life sciences industry. We define our promise and reveal our new identity ARAGEN.

The seamless coming together of two forms and their collaborative movement, represent our partnerships that enable infinite possibilities for better health. Safety and sustainability are an integral part of our business. We have a sustainability steering committee comprising teams from corporate, R&D centres and manufacturing units that work on implementing sustainability-related practices across the facilities.

OUR BUSINESS

As one of the well-known companies for contract development and manufacturing, Aragen is recognized for its highly reliable and qualifying services with extensively experienced staff. Our services are focused broadly on the discovery and development of small and large molecules and the manufacturing of small molecules. From concept to commercial, we have the science, systems, and services to unlock the potential of our partner's small and large molecules programs.



Small Molecules

Aragen provides end-to-end solutions that accelerate molecules from concept to commercial. Whether our partners engage us in the early or late phase; require milligram quantities for discovery to hundreds of kilograms for commercial supply, we raise the bar on successful outcomes of their small molecule programs.

Discovery

Aragen offers integrated and standalone discovery solutions for small molecules. Led by senior scientific leadership with global discovery experience, and backed by multidisciplinary chemists and biologists, we have a proven track record of transitioning discovery programs into the clinic. Balancing productivity with innovation, in close collaboration with customers, we rapidly and efficiently generate preclinical candidates for successful IND filing.

25+ recent Integrated programs

10+ INDs enabled annually

XL RATETM proprietary project management platform

Therapeutic Areas -
Oncology, Inflammation,
Fibrosis, Cardiovascular,
Metabolic Diseases Pain

INTEGRATED DISCOVERY:

The integrated discovery division has a dedicated multidisciplinary team to customize a unified strategy for advancing programs through critical decision milestones. We are currently hosting more than 25 integrated programs with large-pharma, mid-sized and small biotech



1400+ Chemists & 200+ PhDs

50000+ Compounds synthesized at different scale each year

20+ Years of Scientific Leadership in preclinical discovery

>95% delivery of designed molecules

130+ Biologists & 20+ PhDs

50+ Disease Models in Oncology, Pain and Inflammation, Autoimmunity, Fibrosis, Cardiovascular, Metabolic Diseases

600+ Screening Assays

200+ Functional Proteins & Engineered Cell Lines

300+ PK, 2500+ ADME & 150000+ Bioanalysis Studies conducted every month

CHEMISTRY:

We also have proven capabilities and vast experience in diverse chemistries and we have flexible business models (FTE or FFS) to deliver custom chemistry solutions with speed and agility. Aragen is actively endorsing the sustainable growth of our customers focussing on green chemistry for R&D services.

MEDICINAL CHEMISTRY

SYNTHETIC CHEMISTRY

PEPTIDE CHEMISTRY

SPECIALITY CHEMISTRY

ANALYTICAL CHEMISTRY

BIOLOGY:

We have a group of 130+ biologists and 20+ PhDs to extend support in designing and execution, data interpretation, and providing recommendations on the path forward.

REAGENT GENERATION

IN VITRO PHARMACOLOGY

DMPK

IN VIVO PHARMACOLOGY

TOXICOLOGY

Development

Aragen offers drug substances, drug products, and analytical solutions to customers entering or advancing through clinical development. Anchored by a strong process development team, our strength in chemistry with manufacturing capabilities, experience in a variety of dosage forms, and emphasis on customer-centricity make us ideal partners to progress drug candidates for successful clinical outcomes. We leverage an integrated platform that focuses on phase-appropriate development to offer the optimal combination of speed, cost, and quality to customers.

Aragen also develops performance chemicals for the agrochemical and material sciences industries.

70+ Clinical and Commercial Programs supported annually

Dedicated Infrastructure for process engineering, process safety, flow chemistry, and HPAPI

3 Independent Sites multi-accredited, total reactor capacity of **265+ KL**

250+ Strong Multidisciplinary Team of chemists and process development engineers

Strong Scientific Expertise in formulation and analytical development

60+ Analytical Methods developed and validated by a dedicated analytical team

25+ Formulations developed across oral, injectable and semisolid dosage forms

10+ products manufactured successfully

DRUG SUBSTANCE:

We are experts in manufacturing non-GMP/GMP grade key starting materials (KSMs), advanced intermediates, and active pharmaceutical ingredients (APIs) requirements, from kilo lab to plant scale with a multidisciplinary team of chemists in R&D/analytical/process, and process development engineers.

DRUG PRODUCT:

We have a dedicated analytical team for Drug products with strong scientific expertise in formulation and analytical development with validated analytical methods, formulations and products manufactured.



50+ Analytical Scientists with diverse skillsets and experience

10000 sq ft Analytical Laboratory with industry leading range of instrumentation

21 CFR Part 11 Compliant Systems maintained under cGMP conditions

60000 L Stability Storage Facility walk-in stability rooms and **24x7** electronic security

USFDA Approved Facility No. 483s

Dedicated Infrastructure for process engineering, process safety, flow chemistry

75+ Strong Multidisciplinary Team of chemists in R&D/analytical/ process, and process development engineers

Industries Served – Agrochemical, Material Sciences

ANALYTICAL DEVELOPMENT:

We have an Analytical development team of scientists with diverse skillsets and experience, and USFDA approved facility.

PERFORMANCE CHEMICALS:

We have capabilities to support and supply key starting materials (KSMs) and advanced intermediates, from kilo lab to plant scale including a dedicated infrastructure, 75+ member multidisciplinary team, and can serve industries such as agrochemical, and material sciences.



ANALYTICAL LAB, HYDERABAD

Manufacturing

18 Commercial programs over last three years

9 Production Blocks including one for HPAPI

FDA, EMA, PMDA, MFDS, WHO GMP accredited facilities

410+ Strong Multidisciplinary Team of process chemists and engineers, quality control and assurance experts, EHS and Engineering support

3 Independent Facilities with 265+ KL reactor volume capacity

11 commercial APIs with different grades of pharmacopeia

9 Production Blocks including one for HPAPI

FDA, EMA, PMDA, MFDS, WHO GMP accredited facilities

410+ Strong Multidisciplinary Team of process chemists and engineers, quality control and assurance experts, EHS and Engineering support

3 Independent Facilities with 265+ KL reactor volume capacity

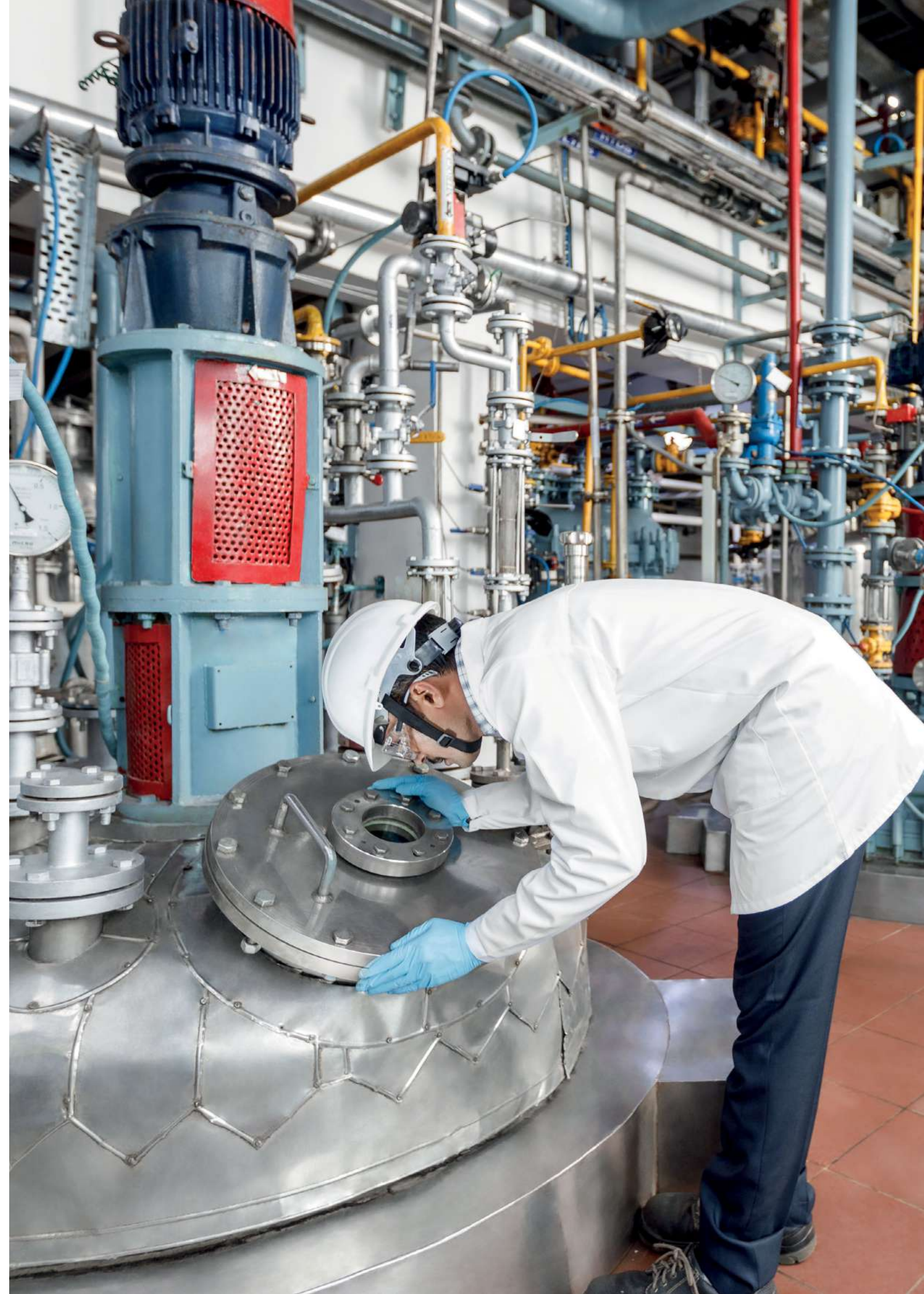
CUSTOM CHEMICAL SYNTHESIS

We are well-positioned to support commercial quantity requirements of key starting materials, intermediates and APIs, for innovator and generic pharma, agrochemical, and other chemical industries. We have a multidisciplinary team and independent accredited facilities.



COMMERCIAL MANUFACTURING:

We have 15+ years of manufacturing experience in commercial APIs, backed by rich experience in process development, validations, and drug master filing. We produce commercial APIs in our facility. We have a multidisciplinary manufacturing team and accredited facilities.

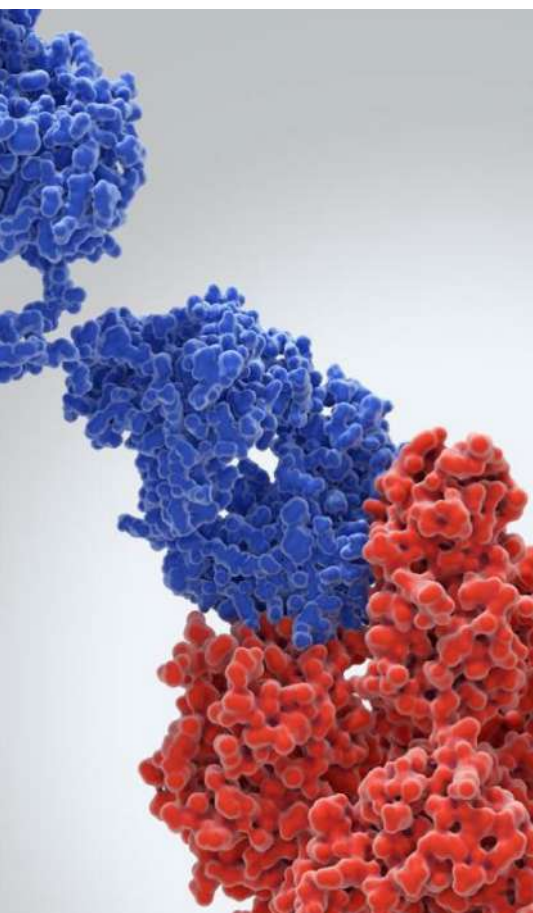




WATER PURIFICATION FACILITY, VISHAKHAPATNAM

Large Molecules

Aragen has an enviable track record in offering discovery solutions for large molecules. Superior scientific expertise in all aspects of preclinical R&D, together with efficient project management, enables the design and execution of projects on the critical path to key inflection points. Our customized antibody discovery workflow can be applied to the discovery of therapeutic and diagnostic antibodies for a variety of therapeutic areas, including but not limited to Oncology, Autoimmunity, and Infectious Diseases. We have successfully developed antibodies for a diversity of applications and targets, from cytoplasmic, secreted, and membrane-bound proteins to anti-idiotypic antibodies. We also offer post-hybridoma solutions in protein production, efficacy testing, and cell line development.



Discovery

INTEGRATED DISCOVERY

We are solving complex large molecule challenges with access to fully integrated discovery-to-development services, delivered with flexibility, speed, and quality.

BIOPRODUCTION:

We are working on gene synthesis and optimization, to the supply of ready-to-use proteins (up to 300L scale) with appropriate characterization data.

ANTIBODY DISCOVERY:

We offer multiple options in antibody development (14-day antibody generation), with appropriate assays, typically a combination of ELISA and cell-based methods.



Development

CELL LINE DEVELOPMENT:

We are working from gene synthesis to RCB (> 200 CLD projects to date), with proof of clonality and analytical data.

DEVELOPABILITY AND ANALYTICS:

We are involved in Early-stage Developability campaigns and phase-appropriate Analytical services to achieve successful biologics characterization and process development.

PROCESS RESEARCH AND DEVELOPMENT:

We have expertise in the complexities and opportunities to accelerate the development of upstream, downstream, and analytical methods, thereby reducing timelines from sequence to IND to about 12 months.



Our Strategy

At Aragen, we hold ourselves to the highest standards in business conduct and ethics, mindful of our actions and impact. Though we navigated through a unique operating year due to the COVID-19 pandemic in 20-21, our goal to achieve long-term success and to set strong financial results every year remained through our strategic approach by maintaining resilience in the business.



Quality and Innovation

Whether large pharma or small biotech; small or large molecule; a single-service need or an end-to-end solution, we give complete attention to each customer, offering a reliable and seamless experience. Quality is a culture at Aragen and we strive to exceed the expectations of our customers. Aragen has been audited and approved by leading regulatory agencies from around the world, including the USFDA, EDQM, ANVISA, PMDA, and WHO. Our most recent audit with the USFDA was concluded with no observations. Regular audits (over 5 per month) by our growing list of customers, keeps us 'audit ready',

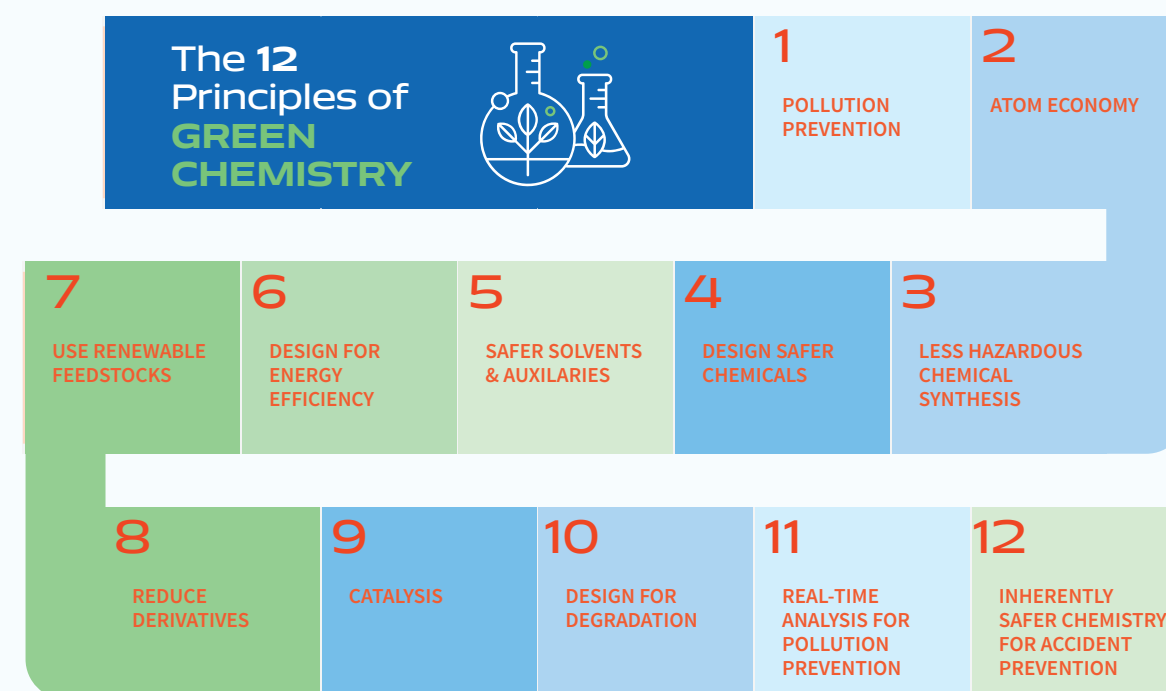
and at the cutting edge of the latest developments in operating practices.

To ensure independent and impartial decision-making, all our sites have their quality teams that report directly to the global quality head and CEO. Corporate quality assurance (QA) focuses on developing and enforcing uniform standards across the organization on vendor management, quality control, electronic quality management system, digital initiatives (automation), management reviews, management information services, harmonization of procedures, quality compliance, training, turnaround time and quality by design.

At Aragen, we deliver products that enable our customers to make better health possible. What we do impacts lives, so we are deeply committed to our solution's quality, safety, and effectiveness. as an organization.

Promoting Green Chemistry – Design Safer Chemicals

We have been practicing adopting the green chemistry concept while designing the products and processes which will reduce or eliminate the use or generation of hazardous substances. We apply green chemistry across the life cycle of a chemical product, including its design, manufacture, use, and disposal which overcome the hazards associated from chemical toxicity, enhances the energy conservation, improves the waste reduction, use of sustainable or renewable feedstock and responsible or environmentally acceptable disposal practices.



The Twelve Principles of Green Chemistry are fundamental principles that have been developed for the prevention of waste and/or by-products. Additionally, these principles aim to reduce the chemical impact on human health and environmental pollution by implementing these principles and educating to encourage more sustainable practices and the development of programs.



We believe that products designed are used for their purpose while minimizing their toxicity. We design products with the greatest efficacy possible with the lowest amount of toxicity to humans and the environment.

a) Aragen has applied green chemistry principles in one of the products wherein yield has been increased appreciably and at the same time, time cycle, number of stages, number of reagents/chemicals reduced considerably. This has reduced overall environmental impact in terms of GHG emissions, resource conservation and process robustness.

COMPARATIVE PARAMETER	EXISTING PROCESS	NEW PROCESS
Number of stages (Nos.)	4	1
Process cycle time (days)	21-27	5-6
Reagents & solvents (Nos.)	10	3
Overall yield (%)	20	40-45

b) Replacement of THF with suitable alternate green solvent (2-Methyltetrahydrofuran) in three products. 2-Methyltetrahydrofuran has lower peroxide formation, forms azeotropic rich with water, has limited miscibility with water, higher boiling point compared to THF and low heat vaporisation. It offers both economical and environmentally friendly advantages over Tetrahydrofuran & Dichloro methane.

EHS & Sustainability

At Aragen, EHS Management is aligned with our sustainability goals. We implement programs to minimize the potential impact on the environment and maximize the health and safety of our stakeholders. Our safety strategy combines infrastructure design that emphasizes safety and risk mitigation, with process management and industrial hygiene principles. The Aragen EHS&S team comprising industry veterans, ensures safety systems are embedded into our business processes. All Aragen facilities are ISO 45001:2018 certified.

Sustainability is a vital addition to our EHS programs. By integrating EHS and sustainability management into one unified program, we strengthen the foundation for compliance, consistency, and continuous improvement. Aragen is working on developing a sustainable green supply chain. To review the success of these programs and compare our performance against the best in the field, we benchmark our results with the EcoVadis global sustainability ratings. Aragen’s sustainability policy showcases our continued business commitment to sustainable business practices.

Aragen EHS&S initiatives have been recognized as among the best in the industry. We recently received the International Safety Award from the British Safety Council and were declared the #1 firm in the pharmaceutical manufacturing sector by CII Southern Region EHS Excellence Committee.

We practised to demonstrate the chemical process safety across the operational units to prevent incidents and accidents associated to chemical hazards. We have a strong safety culture inculcated and developed within the organisation among the workforce.

Corporate Social Responsibility

We are committed to better health and inclusive growth; we empower the communities that surround us to live better lives.

EDUCATION

We have chosen to reach out to children who are underprivileged and differently-abled by supporting poorly equipped and funded Zilla Parishad schools. Aragen has adopted multiple ZP schools in underserved districts of Telangana and Andhra Pradesh, including Uppal, Ghatkesar, Gundrapochpally, and Kothur. Every year, more than 1,000 children benefit from our intervention.



ENVIRONMENT

We recognize the urgency to positively impact the environment. As a responsible company, we are constantly working towards conservation, ecological balance, better use of natural resources, and pollution control. Aragen operates zero-liquid discharge water treatment plants to reduce the company's carbon footprint and increase operational sustainability. We [contribute to the Government of Telangana – Haritha Haram tree planting program](#) and have developed parks and green belts in Begumpet, Hyderabad, and Bommasandra, Bengaluru. Ongoing campus initiatives include awareness programs on the reduction of single-use plastic, food wastage in the cafeteria, and water conservation.



HEALTHCARE

Delivering better health solutions to our customers and underserved communities is our business objective and responsibility. Aragen [organizes regular pro-bono health camps in rural areas](#), our employees respond in large numbers to blood donation programs organized in collaboration with Red Cross Society, and our sponsored marathons, aimed at promoting a fitness lifestyle, are always well attended. Between 2017 and 2019, we constructed 125 household toilets in Kothur village, Nellore district, and biodegradable toilets in Nacharam and Mallapur. Aragen supports the Government of Telangana health department with health tracking technology and makes philanthropic contributions to various non-profits championing health.



SUPPORT TO GOVERNMENT DURING COVID-19

Aragen has [donated PPE kits worth INR 50 million](#) to government hospitals in Telangana. In the early months of the pandemic, when India experienced an exodus of migrant labour from cities to their hometowns, we helped ease hardship by distributing free provisions and meals in Hyderabad and Bengaluru. During this period, employees of Aragen donated one day/half day salary towards the Prime Minister's Care Fund.



Aragen has a CSR policy as approved by the Board of Directors on 31.03.2015. CSR vision is to “Improve the quality of life for all our communities through integrated and sustainable development in every possible way”. In terms of section 135 of the Companies Act, 2013 and the Rules made thereunder, the Board of Directors of the Company at its meeting held on 22nd May 2014 has constituted a Corporate Social Responsibility Committee. The Committee was re-constituted by the Board of Directors of the Company on 21st May 2021.

We focus to support and implement the following activities as our thrust areas;

1. Promoting education to underprivileged children, supporting socially backward people, and helping the differently-abled people.
2. Providing emergency medical care, preventive health care, sanitization, and safe drinking water.
3. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, and conservation of natural resources.
4. Promoting gender equality and empowering women.
5. Donations/contributions towards calamities

The CSR Committee of the Board will periodically identify the CSR activities including the thrust areas, annual budget, planned expenditure and implementation schedule, etc.

Customer Centricity

Aragen is being restructured and continuously improving to meet the customer needs and expectations in a wide variety of services in R&D. We are also expanding and extending our capabilities in meeting our customer's manufacturing needs. While the customer's privacy and confidentiality in their products and services are of utmost importance and well-taken care of, we also recognize that sustainability is an increasing priority for our customers, investors, and other stakeholders.



INTELLECTUAL PROPERTY PROTECTION

Intellectual Property Protection: Since our inception 20 years ago, we have consistently protected the privacy of our customers, earning their complete trust and confidence.

At Aragen, intellectual property (IP) is surrounded by four layers of protection: philosophical, cultural, technological, and physical. Together, they give our partners the highest level of confidence that their proprietary information is secure with us.

Philosophical

- **We collaborate, not compete:** Business at Aragen is service-based, with no competing interest
- **We have no internal programs:** We neither undertake our discovery programs nor have a stake in IP assets of other companies

Cultural

- **The non-disclosure agreement (NDA) and code of conduct:** All employees are required to sign an NDA, and abide by a code of conduct that emphasizes the importance of IP protection
- **Training:** Every employee receives regular training on IP and data integrity
- **NDA renewal:** The NDA is renewed annually, serving as a yearly reminder of the Aragen code of conduct



Technological

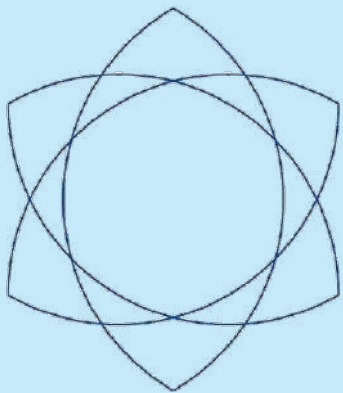
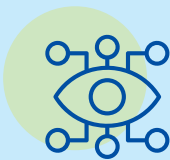
- **Forcepoint data leak prevention:** To minimize human-centric risk with visibility and control wherever the data resides
- **Mobile data management (MDM) solution:** To eliminate data leaks through smart mobile devices
- **Highly secure datacenter:** Automated systems and backups to ensure data integrity
- **Electronic lab notebooks (ELNs):** Aragen designed and/or customer recommended ELNs to ensure minimal information present on paper, thereby protecting IP and improving data integrity
- **eCule mobile app:** Aragen is the only company in India to exchange structural information and orders through a highly secure, in-house developed mobile app, eliminating any email or paper trail
- **SAP system:** All core operational functions are homogenized through a central ERP function

Physical

- **Access controlled laboratories:** To enable authorized entry of people and goods specified for the collaboration
- **Mobile-free zones:** Enforcement of pre-designated mobile-free zones, such as laboratories, to minimize risk to structural or other information

OUR COMMITMENT AND VISION

“In every molecule is the possibility for better health” is our core purpose.
“Our values, which we call ETHICS, guide our decisions, express our beliefs and define our culture. They are a deeply embedded code of conduct that we live by every day. From leadership to staff, the values embedded in our ETHICS, determine ‘how we do what we do for our customers, for each other, and for every stakeholder at Aragen”



Our Vision

To be a global leader in life sciences services

Our Mission

To consistently deliver value-added scientific solutions with speed and quality to the life sciences industry

E

Empowerment

Freedom to make a difference.

Aragen employees, at all levels, are empowered to make decisions. They are encouraged to take responsibility, raise issues, reward team members, drive changes, and own outcomes. This results in a highly committed and responsive workforce focused on exceeding customer expectations.

T

Teamwork

One Team. One Purpose.

We believe in the power of teams over individuals, especially when uniting around our goal to keep our customers ahead in the race for better health. At Aragen, we don't stand on formality and protocol. Instead, we function as agile, cross-functional teams focused on addressing customer problems and accelerating solutions. We work collaboratively to deliver on our promise 'Together Ahead'.

H

Honesty and Integrity

Say what you do. Do what you say

At Aragen, we are mindful of our role in the global biopharma ecosystem and fully aware of our responsibility in providing reliable, consistent, and quality data to accelerate the programs of our customers. What we do impacts lives through better health outcomes.

I

Innovation

Unlocking our collective genius.

Innovation at Aragen is about developing solutions that are more effective and commercially relevant. Some of the best scientific talents make this possible. As an extension of our customers' in-house R&D, we continuously look for new and better ways to cultivate novel approaches to drug discovery, development, and manufacturing.

C

Customer focus

Exceed expectations consistently.

We keep customer needs at the center of all our decisions. By providing flexible, integrated, end-to-end services along the concept-to-commercial continuum, we give our customers effective and timely solutions. A collaborative and transparent approach to every engagement demonstrates our commitment to partnership. Our customer repeat rate of over 90% is a reflection of our relentless focus on customer-centricity.

S

Safety and Compliance

First and Always.

'Safety and Compliance Always' is a way of life at Aragen. As a solutions partner to the life sciences industry, every Aragen employee recognizes its importance and impact within the organization and on external stakeholders. Regular reviews, training, seminars, and implementation of technologies, demonstrate our commitment to embedding and continuously improving company-wide safety and compliance.

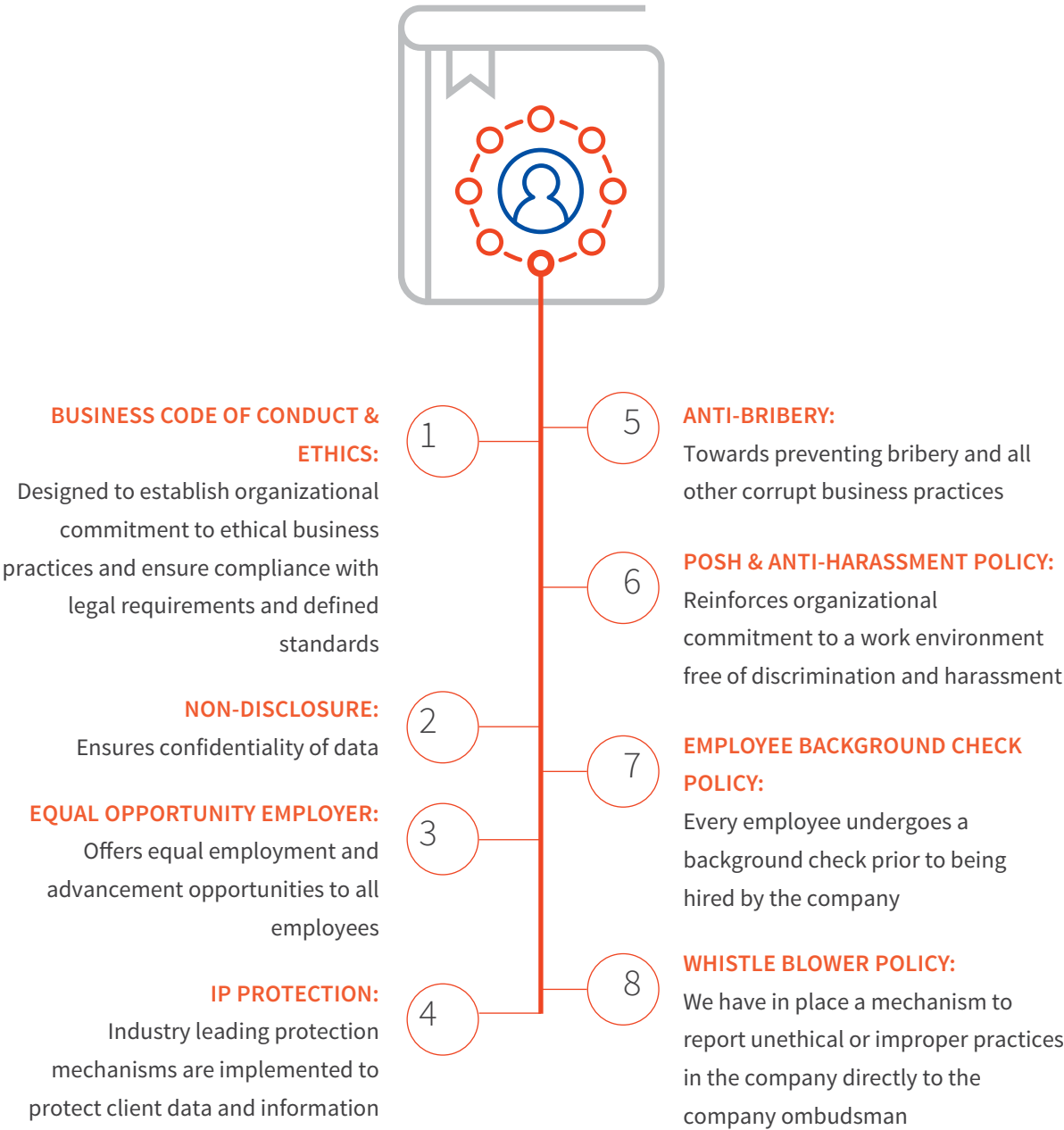
Our Governance



Corporate governance is guided by our values (which we call ETHICS) and directly monitored by the Aragen Board of Directors. We have an accomplished Board of Directors who demand the highest level of governance. The Board has oversight of our compliance to various financial, commercial, operational, and labor-related laws. A strong audit committee is chartered to conduct quarterly audits of various facets of the company. An independent global audit firm works directly with the audit committee to ensure compliances are in place across various business functions. A separate global agency is retained as our statutory auditor to ensure our financial reporting complies with global standards, and that we have timely and accurate disclosures in accordance with Indian Accounting Standards (Ind AS) and International Financial Reporting Standards (IFRS) requirements.

Aragen has had several global private equity investors over its 20-year history and their process of due diligence of the company and its governance systems have strengthened our practices, on par with global standards.

Our employees are trained and practice the following policies and programs:



Recognitions, Achievements & Initiatives

Supply Chain Strategy

- In the wake of pandemic and rising concerns over global sustainability progress, Aragen has taken a significant step and decided to assess ourselves based on sustainability performance in line with global sustainable business scorecards. We have registered ourselves with EcoVadis, a trusted business sustainability rating organization, and initiated the sustainability assessments. We are happy to have received a **Bronze medal** in the **2021 EcoVadis Global Sustainability Assessments** released in August 2021
- **Supply Chain Strategy Award** at the 30th Inflection Conference organized by Alden Global Value Advisors in February 2021.
- **Best Supply Chain Strategy & Design of the Year Award**, in the Biopharma category, at the 10th Inflection Conference & Awards in February 2020
- **Best Supply Chain Strategy of the Year Award** at the Logistics & Supply Chain Tech Innovation Summit & Awards in February 2020
- **Exceptional Supply Chain Team of the Year Award** at the Logistics & Supply Chain Tech Innovation Summit & Awards in February 2020



- **Greenco silver rating**- Awarded to Manufacturing Unit-I and R&D facility at Nacharam, Hyderabad- January 2021
- In recognition of our commitment to keeping our workers healthy and workplaces safe during the Year 2020, we have received **International Safety Award** with Merit from British Safety Council for manufacturing unit-II at Vizag.



COVID-19 Championship

- **COVID-19: Hero of the Year**, in recognition of our commitment to COVID-19 safety, awarded by Alden Global Value Advisors- April 2021
- **Best of Breed COVID Champion Award** Received in recognition of exemplary work during the pandemic, from the National HR Development Network -Oct 2020

EHS Excellence Awards

- Manufacturing unit-II at Vizag has **awarded 5-star rating** at the CII-Southern Region EHS Excellence Awards 2020 Edition
- Manufacturing unit-II at Vizag, secured **first in pharmaceutical category** at the CII-Southern Region EHS Excellence Awards 2020 Edition
- R&D facility at Mallapur & Bengaluru, received **4-star rating** at the CII-Southern Region EHS Excellence Awards 2020 Edition
- Our R&D facility at Mallapur places **third in the Manufacturing Process - Services** category at the CII-Southern Region EHS Excellence Awards 2020 Edition



Great Place to Work

- Aragen is now among the **top Best Workplaces** in the Biotechnology and Pharmaceutical industry 2021
- Aragen is the first biopharmaceutical services company out of India to become a **Great Place to Work-Certified™ organization** for 2020-21. Aragen is certified for the second consecutive year, for a High-Trust, High-Performance Culture™, placing us among 'Companies with the Best Culture' for 2021-22
- Ranked **2nd Best Places to Work in India 2021** under Mid-Sized Pharma Company Category - by AmbitionBox – July 2021
- Aragen was awarded **Asia's Best Employer Award** by Employer Branding Institute – India in 2021

Certifications

At Aragen, we are committed to adopting a systematic approach to EHS, Labour & Ethics management with the aim of contributing to the Environment and Social Pillars of Sustainability. Creating value for our stakeholders combined with our commitment to EHS, Labour & Ethics management have been appreciated, certified, and awarded by various institutions.

All manufacturing and R&D facilities have been certified with ISO 14001:2015, ISO 45001:2018, and ISO 50001:2018. Aragen is committed to sustainable development. One way of focusing on continually improving and strengthening social, environmental, and economic performances is through the implementation of these management systems which are a part of strategic and operational decisions for Aragen.

- ISO 14001:2015 Environmental Management System
- ISO 45001:2018 Occupational Health & Safety Management System
- ISO 50001:2018 Energy Management System

Initiatives

Aragen is a signatory of the GRI South Asia Charter on Sustainability Imperatives, a framework created to call for decision and action for business and its stakeholders. This initiative serves as a driving force to implement sustainability-oriented imperatives that help to realize the UN SDGs eventually by the end of the current decade. Rather than adding on to the pool of already available range of disclosure frameworks, this charter serves to make efforts inclusive, enabling convergence and simplifying the efforts of disclosing organizations.

By becoming a signatory of this charter, Aragen is responsible to commit to the three principles of the charter and demonstrating this commitment by publicly disclosing the organization's understanding of sustainability and the strategy towards contributing to sustainability. We are committed to disclosing the SDGs identified as material for us and the initiatives linked to those SDGs and their resultant impacts/benefits. We are responsible to give more attention to the "Social" and "Environment" elements in the ESG through Collaboration, Partnership, and Inclusion. We shall also strive to achieve inclusive innovation to work towards the SDGs by

digitalization, business models, circular economy/resource efficiency, and promoting entrepreneurship.

Commitment to UNSDG's

The **United Nations 17 Sustainable Development Goals** serve as a framework for working towards a sustainable future. In Aragen we have identified 6 SDGs as our focus areas and several new initiatives have been planned to work towards these goals.



Membership of Associations

Aragen has a membership of association with the prominent industry bodies in India such as:

- Confederation of Indian Industry (CII),
- The Federation of Telangana Chambers of Commerce and Industry (FTCCI),
- Nacharam Industrial Association, and
- Bulk Drug Manufacturers Association (BDMA).

Projects of Excellence

The following projects were completed successfully during FY 21:

- MLR 3 Building consisting of Chemistry, Biology, Analytical, Formulation and Reagent laboratories at Mallapur campus – 128859 Sft.
- BLR 2 Building consisting of Chemistry, Analytical, Biology analytical and Vivarium at Bengaluru facility – 298375 Sft
- Zero Liquid Discharge plant installed for treating industrial wastewater at Bengaluru facility.



Supply Chain Management

Aragen is committed to incorporating the principles of sustainability into the otherwise traditional supply chain. Through responsible partnering with suppliers and service providers, we intend to meet the expectations of our valued customers.



Aragen follows Global Pharmaceutical Industry Principles for Responsible Supply Chain Management (PSCI Principles), we voluntarily support and endorse our key suppliers and service providers to align with PSCI principles. We have integrated and applied the PSCI principles in our business processes within the context of our core value “Safety and Compliance Always” and “EHS Policy”. We have successfully completed the PSCI Assessment.

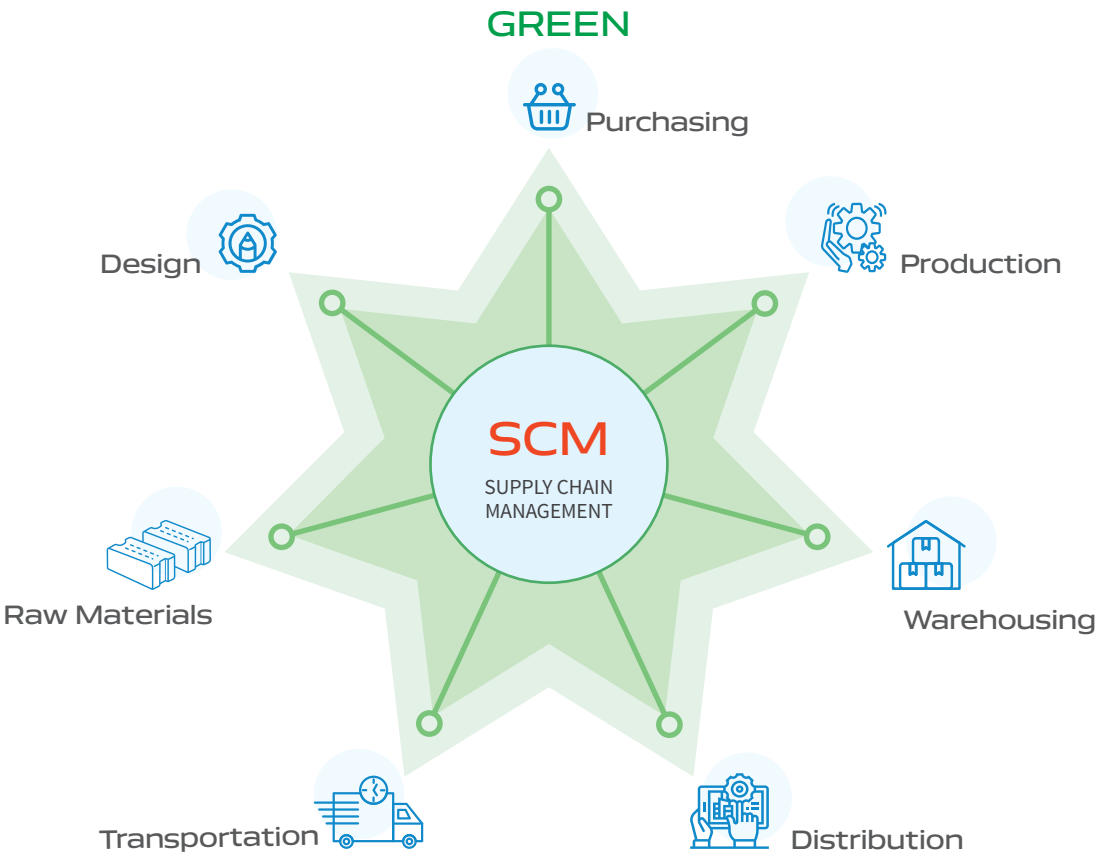
We have endorsed the PSCI principles by making the following commitments:

- Commitment to maintaining ethics and integrity in our business
- Commitment to uphold the human rights of the workers, and treat them with dignity and respect
- Commitment to providing a safe and healthy working environment
- Commitment to be efficient and environmentally responsible, explore opportunities to conserve natural resources, avoid the use of hazardous materials wherever possible, and engage in activities that promote reuse and recycle
- Commitment to facilitate continual improvement and compliance with the expectations of the PSCI principles through management systems

THE GUIDING PRINCIPLES FOR SUSTAINABLE SUPPLY CHAIN MANAGEMENT IN ARAGEN ARE:

- be an agile supply chain team
- high responsiveness towards our customers and partners
- technological adaption and continuous improvement
- ensuring focus on Safety and Sustainability

Principles of Sustainable Supply Chain Management



Sustainable Supply Chain Management Goals

Aragen has set a few goals to ensure Sustainable supply chain management.

- Minimization of supply chain expenses
- To be able to fulfill the increased expectation of clients for higher product variety, customized goods, off-season availability of inventory
- To maximize resource productivity, construct standardized procedures, remove duplicate efforts and minimize inventory levels.
- To leverage inventory as a shared resource and utilize the distributed order management technology to complete orders from the optimal node in the supply chain

Identification of Critical Suppliers/ Vendors

TYPE OF SUPPLIER	NO. OF SUPPLIERS	% OF PROCUREMENT	% SHARE IN PROCUREMENT BUDGET
CDS			
Key suppliers/ Critical suppliers	79	51%	45%
Local suppliers	124	79%	60%
Suppliers outside India	32	21%	40%
CMS			
Key suppliers/ Critical suppliers	46	26%	36%
Local suppliers	156	88%	81%
Suppliers outside India	21	12%	19%

Supplier Assessment

At Aragen, well-laid supplier assessment procedures are in place. Every supplier goes through a selection process that assesses the assurance of supply, quality and regulatory compliance, costing, technical aspects, innovation, communication capabilities, and responsiveness. More than 90% of the critical suppliers/ vendors are audited on an annual basis.

Creating awareness on sustainable Supply Chain Management

In order to create awareness of the green supply chain, Aragen arranges a **training program for the identified key suppliers/vendors**.

- Water conservation
- Energy conservation
- Material conservation
- Selection of raw material with least adverse impacts to the environment
- Selection of reusable and recyclable packing material
- Efficient transportation to reduce carbon emissions



Stakeholder Engagement

Aragen follows a comprehensive method of engaging with the stakeholders where it defines the attributes which are important to their business.

THESE ATTRIBUTES ARE;

- Impact on the business of Aragen
- Influencing power of the Stakeholder group

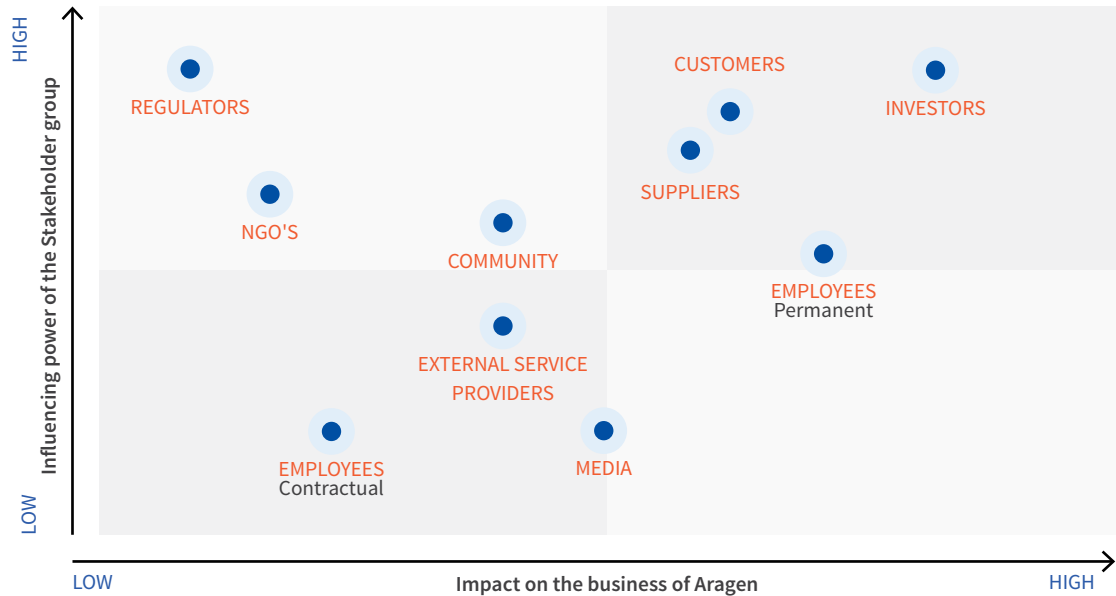
Through the above attributes, the company’s stakeholders are identified and prioritized thus making it a meaningful engagement for the materiality assessment and also for communicating our sustainable development progress. We have provided a platform for promoting transparent communication and an opportunity for the company to recognize and address the stakeholder’s interests. This is premised on the principles of holistic growth and accountability that groups can affect or are affected by the operational footprint of the business.

The frequency of the stakeholder engagement is an ongoing process based on the type of stakeholder and is explained in the Table below; The identification and relative prioritization of material topics was based on a combination of the following factors;

- Direct feedback from the stakeholder (Ex: Customer feedback survey, feedback from one on one interaction with investors)
- Indirect inference from public sources of information (Ex: CSR survey results in the public domain)
- Informed dialogue and discussion between company leaders and employees in meetings, mail communications, etc.

The detailed process of stakeholder engagement adopted at Aragen is presented in the Table below;

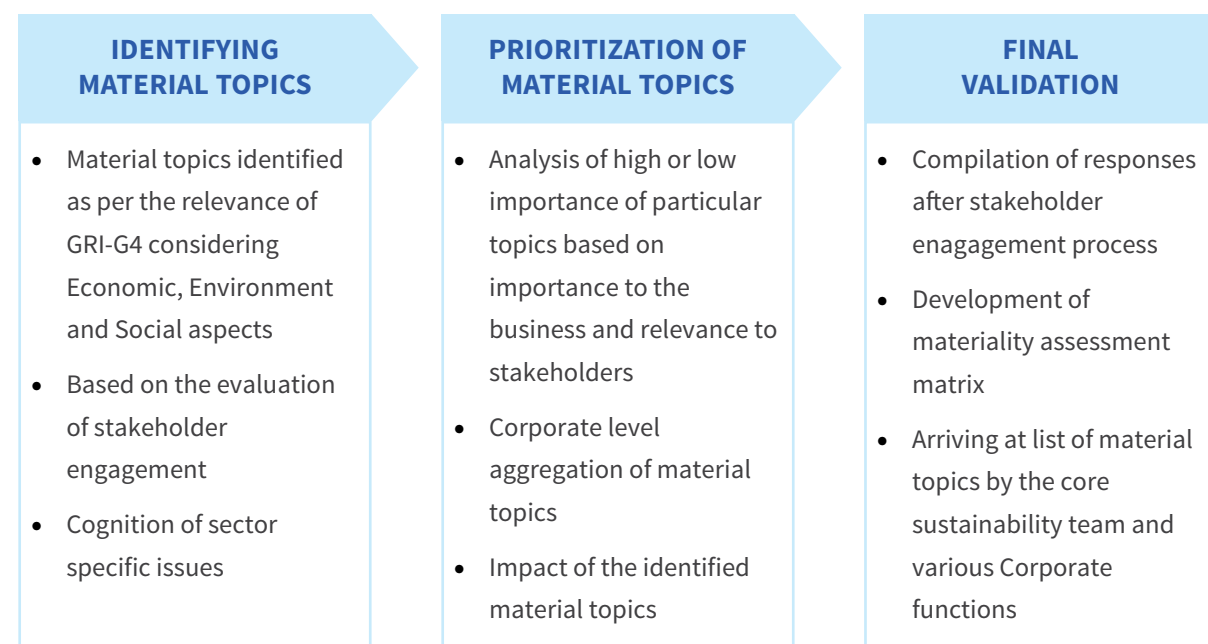
Stakeholders	External/ Internal	Prioritization	Engagement method	Engagement Platform	Engagement Frequency	Expectations	Key topics and concerns
Customers	External	High	Customer feedback survey	Feedback form	Yearly	Business growth	Competitive pricing, quality, and timely supply
Investors	External	High	Monthly MIS sharing	Monthly meet	Monthly	Investment for business growth	Profitability and growth, business ethics
Regulators	External	High	Meeting / Inspection/visit	Website	As and when required	Regulatory compliance	Statutory compliance
Employees (permanent)	Internal	High	Employee perception survey	Intranet	Yearly	Safety, quality, and productivity	Ethics, good labour practices, and growth opportunities
Employees (contractual)	External	Low	Contractor meeting/safety meeting	Newsletter	Quarterly	Safety & Productivity	Business ethics
External service providers	External	Low	Meeting	Audit/gap assessment report	As and when required	Improve business processes	Business ethics and timely payment
Suppliers	External	High	Supplier survey/ SRM meet/ Grievance addressal meet	Feedback form	Yearly/ Quarterly/ Weekly	Cost, quality & time of supplies	Business ethics and timely payment
Community	External	High	Social /public meet	Website	As and when required	Goodwill	Environmental pollution, image, and social impact of the business
NGOs	External	Low	Social /public meet	Website	As and when required	Goodwill	Environmental pollution and climate impact of business
Media	External	High	Physical/ mail communication	Magazines/ Newsletter	As and when required	Support in brand building	Business ethics, environmental impact, and socio-economic impact on the surrounding community.



Materiality Assessment & Our Reporting Focus

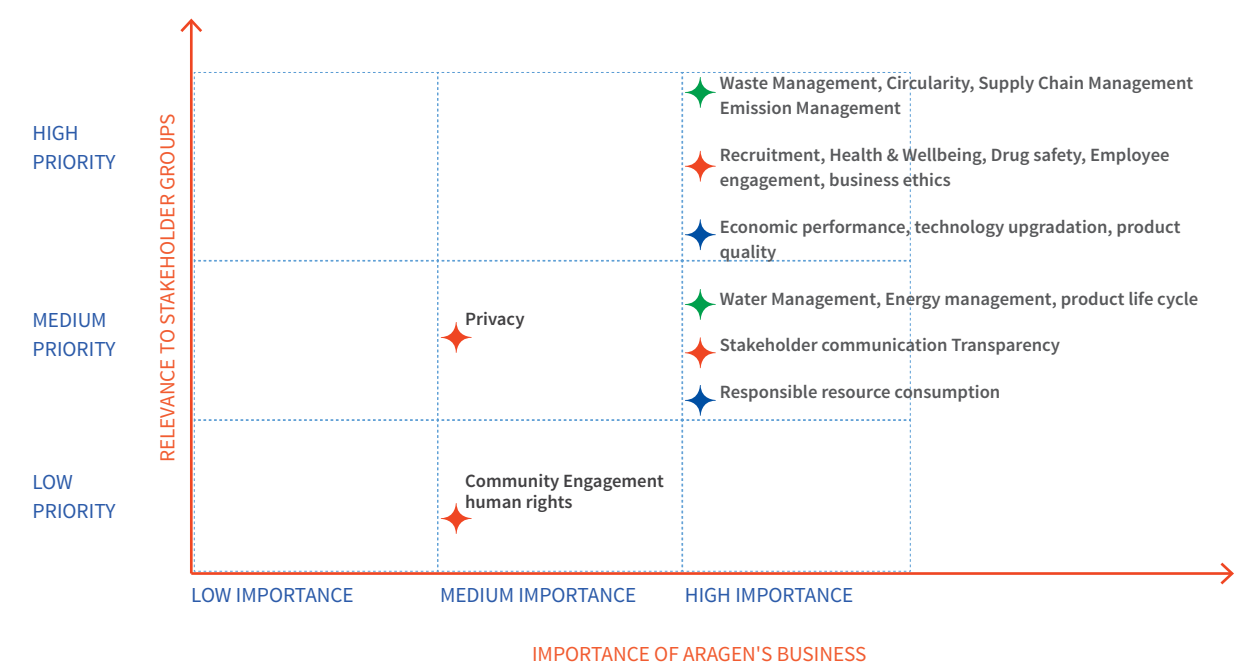
Based on the results of the stakeholder engagement process, the material issues are identified and prioritized. Based on the key material issues, Aragen in the year 2021 has developed a road map and strategy for attaining sustainability goals aligning with the identified 6 SDGs as our focus areas wherein several new initiatives have been planned to work towards these goals.

The process of materiality assessment conducted involved three phases starting from stakeholder engagement for identifying material topics to prioritization and validation. The process is explained below



The materiality forms the basis of this sustainability report content as it provides the framework to report on the different material topics identified by the company. The company has taken into consideration the global trends while setting the targets for each of the material topics identified.

The material matrix developed during the process of materiality assessment is as below;

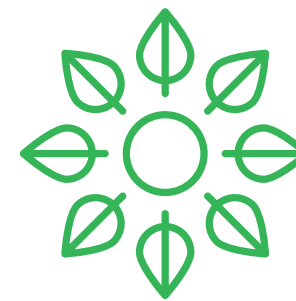


IDENTIFIED MATERIAL TOPICS	STAKEHOLDERS IN FOCUS	SDGS IN FOCUS
Business Growth		
Diversification of business to expand and keep up the pace with demand	Investors, customers, external service providers, suppliers	8 DECENT WORK AND ECONOMIC GROWTH 17 PARTNERSHIPS FOR THE GOALS
Enhancing economic performance	Investors, customers, external service providers, suppliers	8 DECENT WORK AND ECONOMIC GROWTH
Innovation and Technology-driven	Investors, customers, external service providers, suppliers	3 GOOD HEALTH AND WELL-BEING 9 INDUSTRY INNOVATION AND INFRASTRUCTURE
Environment		
Supply chain management	Suppliers and business partners	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Waste minimization	Employees, Community, Customers, Investors	
Emission Management	Employees, Community, Customers, Investors	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Improving energy efficiency	Employees, Community, Customers, Investors	
Regulatory compliance	Employees, Community, Customers, Investors	
Social		
Customer satisfaction	Customers, Investors,	17 PARTNERSHIPS FOR THE GOALS
Caring for communities	Communities, NGOs, and employees	1 NO POVERTY 2 ZERO HUNGER 4 QUALITY EDUCATION 10 REDUCED INEQUALITIES
Employee welfare	Employees	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY



Economics

- Financial performance
- Enterprise Risk Management



Environmental

- Energy
- GHG Emissions Management
- Water
- Waste
- Biodiversity
- Environmental Compliance



Social

- Corporate Social Responsibility
- Occupational Health and Safety
- Working at Aragen
- Non-discrimination & Protection of Human Rights

Economics

We focus on Innovative and value-added services from concept to commercial of small and large molecules in life sciences. Through this, we create greater value for our customers and other stakeholders and extend the economic benefits in various ways possible. We add economic value to the partners from profits, compensations, and benefits to the employees and taxes to the government, material and service prices to the suppliers and vendors, and investment in communities through corporate social responsibility. The financial performance of Aragen is shared in the Annual Report of FY 20-21.

Increase in
Revenue from last
Financial Year

20%

(INCLUDING OVERSEAS OPERATIONS)

Revenue from
Operations in
Financial Year 20-21

11334 Million
INR

(INCLUDING OVERSEAS OPERATIONS)

Financial Performance in FY 20-21 (Million INR)

DETAILS OF REVENUES INCLUDING NET SALES, FINANCIAL INVESTMENTS, SALES OF ASSET	
CDS	
Revenue from operation (with Overseas operations)	11333.9
Revenue from operation (without overseas operations)	9502.0
Investments on the reporting date	936.6
Proceeds from the sale of property, plant, and equipment	4.20
DETAILS OF OPERATING COSTS	
Direct expenses (Subscription fees, Job work charges, Other direct expenses)	1573.6
Cost of materials consumed	1326.2
Changes in inventories of WIP and FG	72.7
Total	2972
DETAILS OF PAYMENTS TO GOVERNMENT	
Tax payments made to Government	33.7
TAX PAYMENTS MADE TO GOVERNMENT	
Amount spent by the company for CSR activities and COVID related initiatives	60.7
DETAILS OF ECONOMIC VALUE RETAINED	
Equity	669.8
Other Equity	7382.6
Total net worth	8052.4
DETAILS OF MEIS SCHEME/CERTIFICATE AND THE FINANCIAL BENEFITS ACHIEVED	
MEIS Scripts Sale	30.0
DETAILS OF THE CAPEX RELATED EXPENSES	
Purchase of property, plant, and equipment	1330.9

Enterprise Risk Management (ERM)



We have implemented the ERM framework which is a bottom to an up participative process led by our finance team. The framework covers the risk awareness and identification process, analyzes the identified risks, discusses with the management committee, and derives the mitigation measures.

ERM is considered a key element across the business through strategic planning, annual budgeting exercises & quarterly updates. A three-year risk management framework maturity plan is prepared to focus on the key governance & cultural aspects. The methodology for strategy and objective settings, performance, review & revision, communication, and reporting is also framed in the maturity plan.

The risks will be broadly categorized into four major elements:

- Strategic
- Financial
- Operational
- Regulatory Compliance.

The identified risks are mapped based on impact severity and probability of occurrence and accordingly the action plan and prioritization will be framed.

Environment



We at Aragen recognize our responsibility towards mother nature and are committed to contributing towards sustainable development. We strive to reduce our use of natural resources such as water and energy and are looking for innovation in technology to reduce our resource consumption and carbon footprint.

We are in the process of reviewing our policies and strategy to reach our long-term environmental goals. We are also looking forward to adopting the tools like Science-based targets (SBTi), Taskforce on climate change (TCFD).

We aim to reduce our CO₂ -eq emissions intensity by 20% by 2025 compared to 2021 as a base year. Similarly, we are aiming to reduce our water consumption by 30% by 2025 compared to 2021 through implementing water conservation projects. Our target in waste management is to achieve zero waste to landfill by the year 2025 by recycling and reusing the wastes generated at all the sites.

While the site operations and management team are responsible for the energy and resource efficiency, reporting the KPI's to the corporate from each unit will be done by the unit level Environmental Health & Safety (EHS) and sustainability team. Usually, the data will be shared and reviewed on monthly basis. The EHS and sustainability committee is responsible to develop a roadmap for the overall EHS&S performance and the same is designed to drive the individual units towards compliance, environmental stewardship and to achieve the sustainability goals and targets. The monthly performance data forms the basis for updated reduction targets and possible capital expenditure to be incurred for each unit. In the year 2020, we have also initiated the reporting of the data on sustainability profiles for the customers and supply chain through Ecovadis.

The total recordable safety incident rate recorded in the year 2021 is zero based on 6654861 hours worked.



Energy

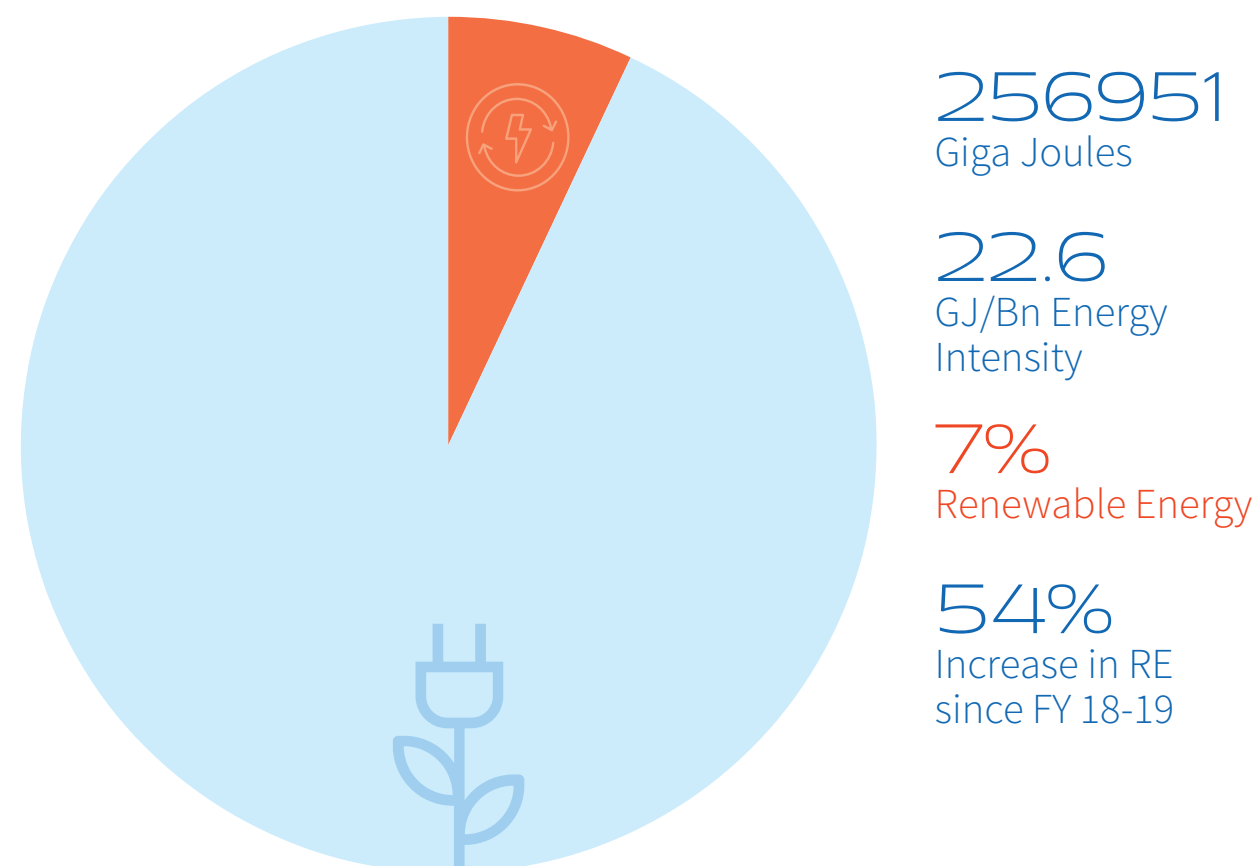
Energy efficiency has been of prime importance to Aragen since the beginning. We are committed to integrating Energy Management systems into business processes. We have an energy policy in place whereby we are committed to performing all operations using energy-efficient processes and equipment and to ensure consideration of energy performance improvement in design activities.

Aragen has implemented a certified ISO 50001:2018, Energy Management System. A three-tier Energy Management team has been constituted with representatives from all the critical departments headed by the Plant head and Production and Engineering heads. The Energy Management team has set short-term and long-term targets for three consecutive financial years in line with the objective of energy efficiency and utilization of renewable energy.

We have developed a strategy for energy efficiency and reducing the energy intensity by setting specific goals for the short term and long term. Benchmarking the energy consumption, followed by periodical review and modification of the targets based on implementation status and analysis of achievable energy savings potential is planned as part of the strategy.

An energy audit was conducted by a competitive third-party agency to identify the potential energy conservation areas and implement the recommendations across the facilities.

Total Energy Consumption in Financial Year 20-21:



Energy Efficiency Strategies identified at Aragen

Capacity Utilization

The level of capacity utilization for each operational equipment has direct impact not only on the total energy consumption but also on various other leading factors including product throughput efficiency, lead operational time, resources, etc. At Aragen, we identified various optimisation projects to utilise the equipment capacity to its fullest thereby to reduce the energy costs. These projects are implemented across the Aragen operational facilities as applicable and the KPI's are being monitored by the sustainability committee.

Production planning based on demand

At Aragen, we believe "A time spent on planning saves the time in many folds while doing it". We excelled in planning on demand which is a process of forecasting it for any product or service. This helped us in producing and delivering the products and services more efficiently and to the satisfaction of the customers. This indirectly reduces both the down time of equipment and waiting time which in turn helps to improve the efficiency and reduce the energy costs.

Equipment Efficiency Improvement

Under equipment efficiency improvement program, we carryout periodic assessment of all the operating equipment to minimize the four major losses including plant shutdowns, equipment downtime, performance efficiency and quality losses. This will improve the reliability of the overall operations and helps us conserving the energy consumption.

Equipment wise monitoring

Periodic monitoring of all the operating equipment is a part of equipment efficiency improvement program. Phase wise equipment performance assessment is also a part of the program. Pumps, reactors, blowers and all the electrically operating equipment is covered for the monitoring. Based on the requirement, monitoring and assessment by a third-party competitive agency will be carried out.

Process Improvement

There are various process improvement projects were implemented over last few years which reduced the energy consumption.

Root Cause Analysis

At Aragen, we apply Root Cause Analysis (RCA) in all the aspects of process and operational upsets. RCA helps in identifying the energy consumption against the potential energy savings in those activities.

Variance Analysis

Each of the major energy consuming process equipment will be assessed using variance analysis with respect to planned vs actual energy consumption. This will help us to identify the potential energy consuming equipment and will be further analysed for their root causes.

Monitoring & Review

The periodic assessment includes monitoring and review of each equipment with the VA & RCA and the data is recorded for long term analysis.

Explore Energy Efficiency Technology

At Aragen, our energy management team is constantly working with various service providers and vendors to implement more reliable and energy efficient technologies available. This will not only keep us to be on par to the market race in terms of technology advancement and energy consumption but also has the economic benefits.

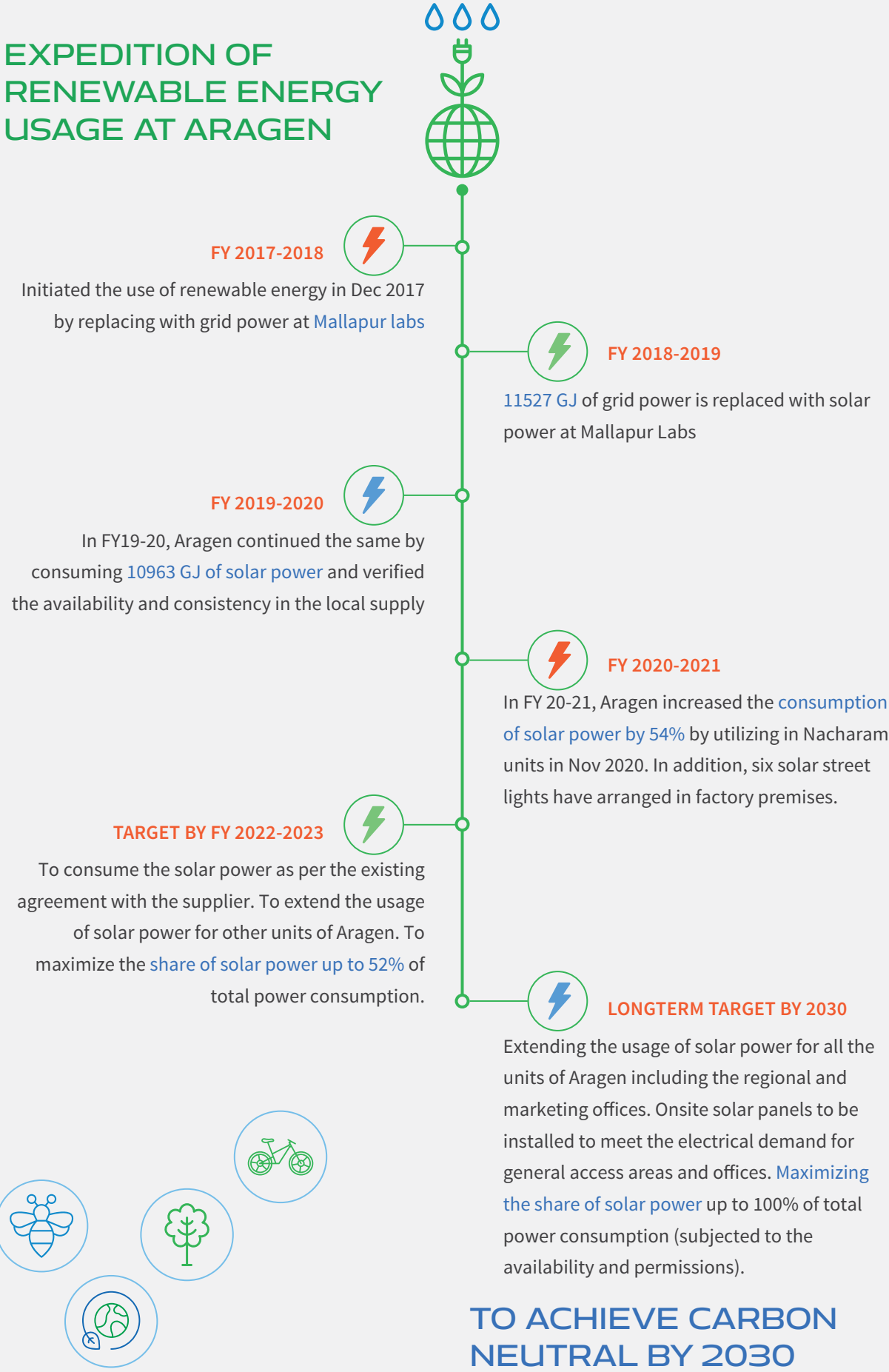
Awareness and training

The training on energy management and conservation is one of the elements of the training program provided to all the employees from leadership team to the executive level. The mid-level operations team, which we recognise as critical to have the impact on the overall energy consumption in the unit will be trained regularly on various energy conservation projects and initiatives to be implemented.

Renewable Energy

We have undertaken various energy management initiatives including the (usage of renewable energy replacing the grid power. This is one of the activities which is being implemented in a phased manner. The usage of solar power at Aragen is increased by 54% in the last three years.

Aragen focuses on promoting cleaner sources of energy and technologies and is aligned to the national ambitious goal to become renewable energy dependant and will plan towards achieving carbon neutrality (Scope 1 & Scope 2) by 2030 through offsetting the emissions by increasing the usage of renewable energy and by carbon sequestration.



GHG Emission Management

"Climate is changing and why aren't we?"

It is evident from the events of higher temperatures, increased extreme rainfalls, rising levels of the Indian ocean, higher frequency, and intensifying cyclones every year in the Arabian sea, climate change is likely to be real and is also documented in the context of the Indian scenario. In line with the Paris agreement, the Indian govt. has set the target of net-zero GHG emissions by 2070 by taking the pledge and a 45% reduction of emission intensity by 2030.

At Aragen, Our GHG emissions result mainly from combustion processes. It includes diesel generators, boilers using coal, furnace oil, and HSD. The GHG emissions are dissociated from energy consumption by increasing the share of utilizing green energy and will continue to increase further.

We've been tracking the GHG emissions since FY 2017-2018 and the below shows the direct and indirect emissions (Scope 1 and Scope 2).

SCOPE 1 GHG EMISSIONS

Scope 1 emissions are direct emissions from sources owned or controlled by Aragen. Emission factors are used for calculating the emissions from fuel consumption for DG's, Boilers, and company-owned vehicles. GHG emissions protocols are referred to for estimating the emissions.

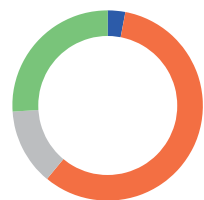
Total Scope 1 emissions in FY 20-21

10648

Metric Tons of CO₂-eq.

939 | METRIC TONS OF CO₂-EQ. PER BN OF REVENUE

SCOPE 1 EMISSION SOURCES



DG's	458
Coal - Boiler	8363
FO - Boiler	1824
HSD - Boiler	3894

SCOPE 2 GHG EMISSIONS

Scope 2 emissions are indirect emissions from the generation of electricity Aragen purchases. These emissions are calculated based on the emission factors published by IPCC for the Indian scenario for power generation.

Total Scope 2 emissions in FY 20-21

32871

Metric Tons of CO₂-eq.

2900 | METRIC TONS OF CO₂-EQ. PER BN OF REVENUE

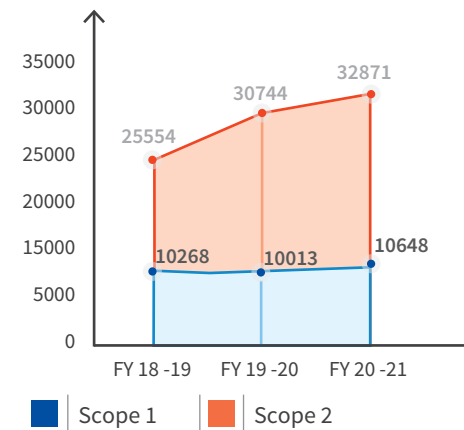
AVOIDED GHG EMISSIONS DUE TO USAGE OF RENEWABLE ENERGY IN FY 20-21

3988

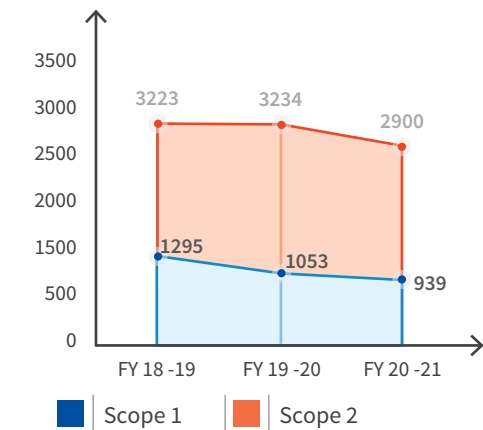
Metric Tons of CO₂-eq.

	UNIT	FY 18-19	FY 19-20	FY 20-21
SCOPE 1 EMISSIONS	T CO ₂ -eq	10268	10013	10648
SCOPE 2 EMISSIONS	T CO ₂ -eq	25554	30744	32871

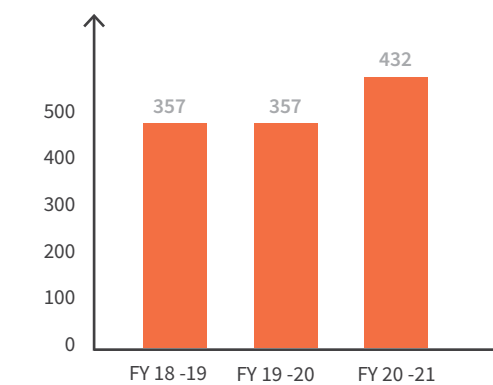
GHG Emissions (TCO₂-EQ.)



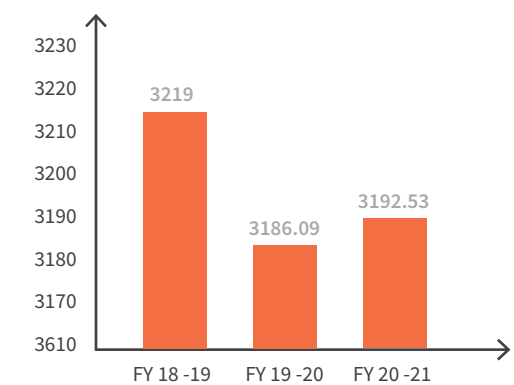
GHG Emission Intensity (TCO₂-EQ./BN OF REVENUE)



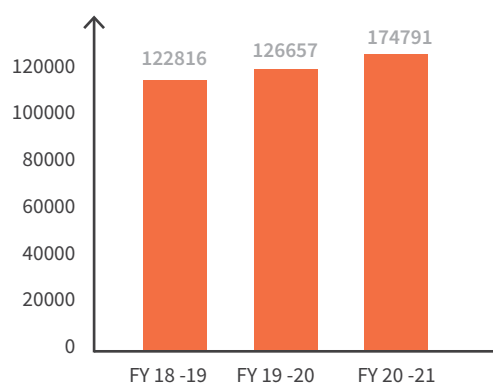
DG POWER GENERATED (THOUSAND KWH)



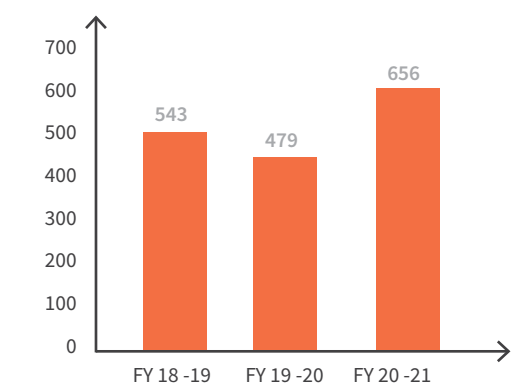
COAL CONSUMPTION (TONS)



HSD CONSUMPTION (LITRES)



FO CONSUMPTION (TONS)



Water

"It is expected that the quality and availability of raw water will be reduced in the coming years due to the impacts of climate change as per IPCC". The stress on the industries demanding high-quality water for their processes is relatively higher. Aragen, being a player of life science in the pharmaceutical sector, high-quality water is majorly essential for operations and processes even though it is not listed as a high priority in materiality assessment. Water is used for varieties of applications including cooling, steam generation, washing, maintenance, domestic, etc. Water at all the operational units is currently being sourced from municipal or industrial area authority supply.

Aragen is committed to reducing water consumption to the extent possible by increasing the proportion of recycled water usage. Though the water conservation measures and implementation practices are being driven by the corporate sustainability team, each site is responsible for optimizing the water used by its operations. Each site is monitoring the water use ensuring the accountability of consumption. The cross-functional team at each unit is working on water reduction targets at the site level.

Aragen sets its long-term target to become water neutral by 2035 by implementing various water conservation initiatives.

Total water consumption in FY 20-21

148 Thousand m³

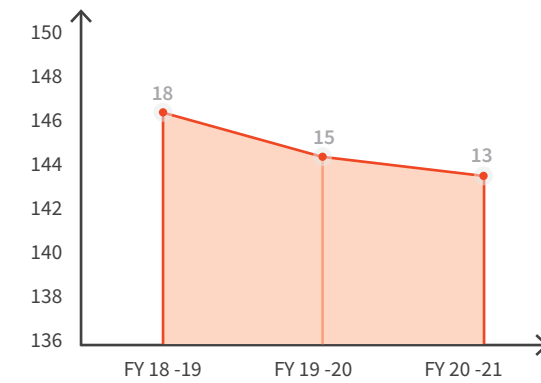
WATER CONSUMPTION (THOUSAND M³)



Water Intensity in FY 20-21

13 Thousand m³/Bn of Revenue

WATER INTENSITY (THOUSAND M³/BN OF REVENUE)



Water Conservation Measures adopted at Aragen

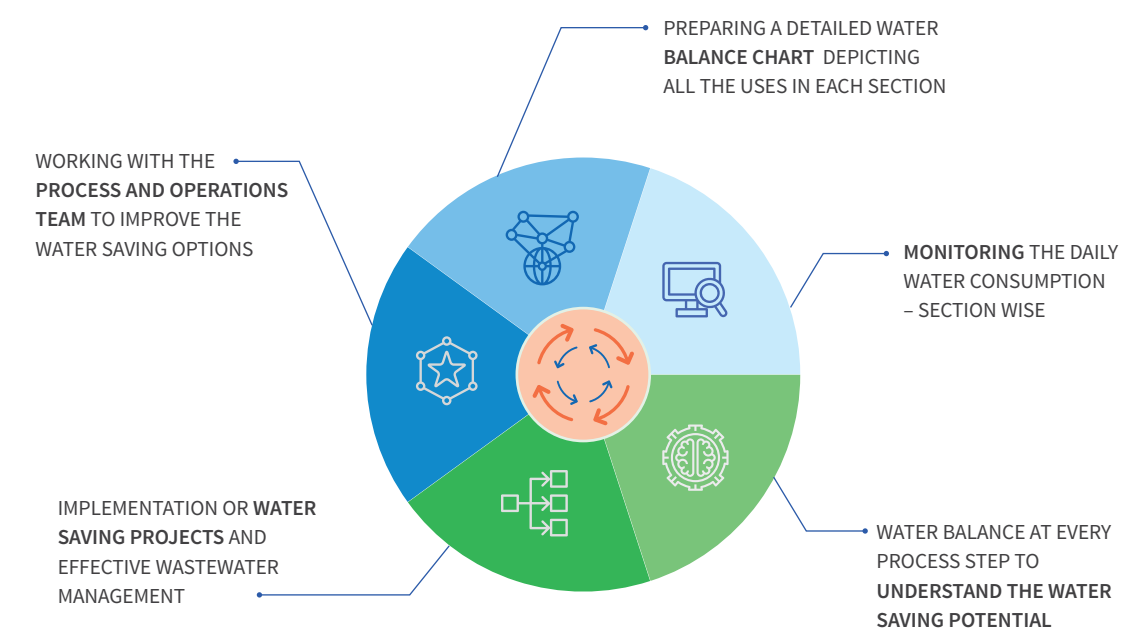
Process Areas

- Process water optimization
- Fine spray nozzles installed for reactor cleaning
- Water minimization through SOP during process start-up stage
- Mopping machines used for cleaning floors

Utilities & Domestic

- 100% Metering for Monitoring and mapping on daily basis
- Installation of efficient water fixtures throughout the facilities – designed based on flowrates
- Provision of Stormwater collection tanks in low lying areas
- Alarms and level controllers installed for raw water receiving tanks and OHT's
- Enhancing the steam condensate recovery
- Old chillers are replaced with highly efficient low water consuming chillers
- VFD installed for cooling towers and master pumps
- CTI certified cooling towers are in operation

At Aragen we are continuously working to conserve the natural resources as much as possible taking the best available technologies as an advantage. We have a strategy of a circular approach to work on the water conservation measures at Aragen.



Wastewater Management

At Aragen, wastewater generated at each site is managed by the site team which is customized to relevant regulatory permits for wastewater management. The wastewater is treated onsite and recycled at all the unit of Aragen except the Mallapur labs, Bangalore labs and Vizag unit in which, the same is sent to CETP as per its consent condition. Treated sewage water is being recycled for all sites except Vizag plant. We are working on various initiatives to reduce water consumption which in turn reduces wastewater generation.

Wastewater segregation is effectively implemented in all the units which has helped us to efficiently treat the wastewater resulting from the minimum process upsets and maximum recyclability options.

WASTEWATER AND SEWAGE MANAGEMENT PRACTICES ADOPTED AT ARAGEN

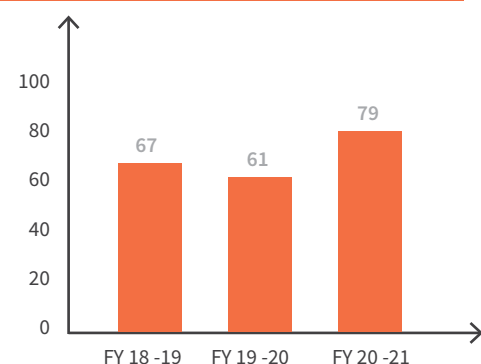
Wastewater & Sewage Treatment and Management

- Segregation of wastewaters
- Efficient treatment in ZLD – Optimization of pre-treatment, biological and RO membranes
- Recycling of treated sewage for gardening
- Recycling of treated wastewater for utilities

Total wastewater Generation in FY 20-21

79 Thousand m³

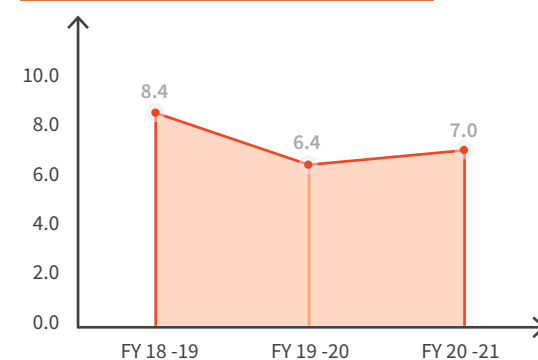
WASTEWATER GENERATION (THOUSAND M³)



Wastewater Intensity in FY 20-21

7.0 Thousand m³/Bn of Revenue

WASTEWATER INTENSITY (THOUSAND M³/BN OF REVENUE)



Aragen has taken measures to conserve the usage of fresh water by recycling of treated wastewater. In FY 20-21 we have recycled a total of 42177 KL. This includes recycling of RO permeate from ZLD plant of Manufacturing Unit I and Bangalore labs to boiler and cooling tower, steam condensate for boiler and treated sewage water for gardening.

Waste

Waste management in the pharmaceutical sector in the country is well standardized and is widely practiced. At Aragen, each unit is responsible for managing the wastes generated at their facility. Waste management is uniform across the organization and we work to reduce the waste generated from laboratories, manufacturing facilities, and offices. We manage the waste in accordance with the state and national regulations as applicable. We are highly encouraged and committed to increasing the efficiency of all the processes to possibly minimize waste generation. Our waste management strategy is primarily to avoid waste generation in the first place. There are various initiatives got materialized for reducing waste generation.

Total Hazardous Waste Generation in FY 20-21

2924

METRIC TONS

Hazardous Waste Intensity in FY 20-21

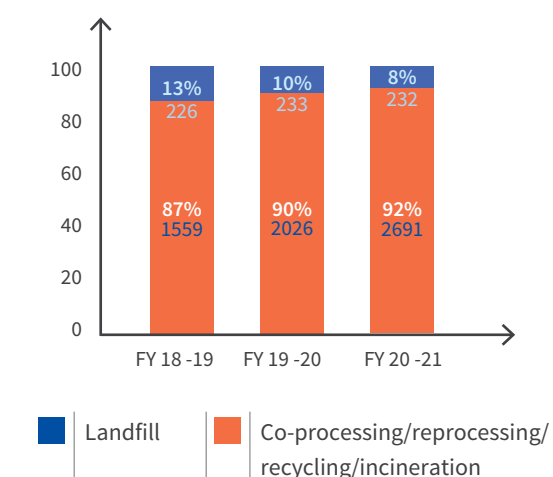
258

METRIC TONS/BN OF REVENUE

WASTE GENERATION AND DISPOSAL IN FY 20-21

	TONS
Total non-hazardous waste generation	1269
Total hazardous waste generation	2924
Hazardous waste sent to co-processing/reprocessing/recycling/incineration.	2691
Hazardous waste sent to Landfill (TSDF)	232

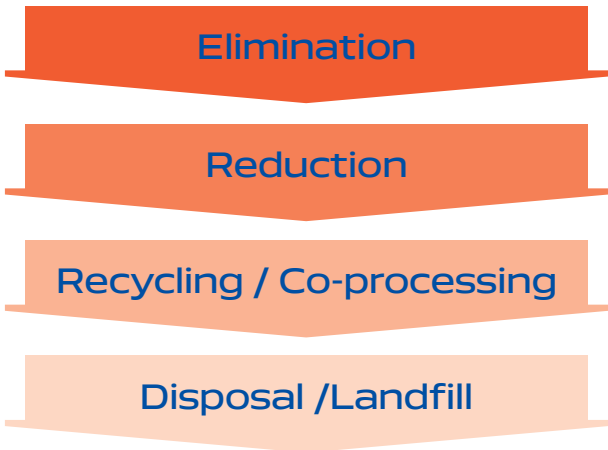
HAZ. WASTE OFFSET FROM LANDFILL (%)



Waste management at Aragen

We strive to manage the wastes in the order from avoiding the generation to reducing by engineering and process controls to recycling or co-processing the wastes for alternative usages to the final mode of disposal to landfills.

By far, the hazardous wastes offset from landfills increased from 87% in FY 18-19 to 92% in FY 20-21 and we target to achieve zero waste to landfill in a sustainable way possible by 2025.



MATERIAL CONSERVATION AND WASTE REDUCTION MEASURES ADOPTED AT ARAGEN

1. Total raw material intensity (Consumption per Bn of Revenue) reduced over last 5 years by through various initiatives. Aragen identified some of the critical aspects involved in material handling and responsible for material wastage.
 - Production Action plan
 - Production facility arrangement
 - Raw material procurement
 - Material Quality testing
 - Batch Monitoring
 - Waste disposal
 - Product dispatch
 - Safety control measures
 - Employee training
2. Purification instrument installed replacing the manual operation helped in reducing the spent silica gel generation and solvent consumption. This also reduced the fugitive VOC emissions.
3. Increasing the recovery of Methanol, Cyclohexane, Toluene and IPA thereby it reduced the solvent intake from market and reduced the wastage.
4. Process improvements in ETP reduced the disposal quantities of ETP sludge and forced evaporation salts.

Biodiversity

We believe encourage ourselves to develop and nurture the environment we live and work together. We ensured that all the operations and facilities of Aragen are located and don't associate with any of the eco-sensitive zones in the region. We take utmost care and show zero tolerance towards discharging or discarding any types of wastes or wastewater into any of the natural water bodies.

There are around 1000 plants which are more than 5 years old within Aragen premises and we nurture them with good maintenance. Aragen has taken up mass tree plantation programs in the last 3 years as part of the GVK Group's "Go Green & Grow Green" initiative in the Industrial development area (IDA), Nacharam.



Environmental Compliance

Aragen meets all the requirements of state and national requirements apart from the commitment exhibited to comply with all the standards and guidelines set by the corporate. We have identified environmental compliance as one of the material topics for Aragen.

Aragen adopts the environmental management system and all the sites are certified ISO 14001 system which covers the overview of environmental regulations and requirements. We have a centralized digital regulatory tool accessible for all the sites which track all the applicable regulations and updates from time to time.

We strengthen environmental compliance status by conducting internal audits, EHS audits, compliance audits done by our customers and authorities, loss prevention assessments, quality and safety audits, etc. Most of these audits come with the findings and an action plan will be developed by the team and the same will be addressed and followed up to closure. In addition, management reviews will be performed among the site and corporate team to further strengthen the compliance status of each site. We are committed to continuing by creating value for all the stakeholders.



Social

Employees are the backbone of our business at Aragen and we continuously put effort into their welfare and wellbeing, provide opportunities to improve their skills for a better career. Providing a safe working environment and encouraging them in creating a healthy workplace is our adage at Aragen. We undertook a lot of initiatives under corporate social responsibility for cultivating a relationship with the communities by extending our support.

Corporate Social Responsibility (CSR)

The vision of CSR is “To improve quality of life for all our communities through integrated and sustainable development in every possible way”.

At Aragen, the outline and pathway for CSR are developed by the GVK group and the initiatives will be collectively implemented by all the group companies. Five (5) core areas were identified by the group based on the assessment carried out. A worth of 6.07 Cr was spent by Aragen towards CSR in FY 20-21.



Education	Promoting education to the under privileged children,
Healthcare	Providing emergency medical care, preventive health care, sanitation and safe drinking water
Environment	Ensuring environmental sustainability, ecological balance, protection of flora and fauna and conservation of natural resources
Gender Equality	Promoting gender equality and empowering women
National Disaster Relief	Donations/contributions towards calamities

SOME OF THE CSR ACTIVITIES CARRIED OUT BY ARAGEN IN THE LAST FEW YEARS:

EDUCATION

Aragen supported in infrastructure upgradation of few government owned schools in the nearby communities.

Some of these schools include:

- (i) Chilkkanagar Schools
- (ii) ZP School, Kothuru
- (iii) Ghatkesar ZPGHS School
- (iv) Gundlapochampally ZPGHS School



HEALTHCARE, HYGIENE & SANITATION

- (i) Conducted a blood donation camp serving the nearby hospitals and the needy.
- (ii) Donated clothes and medicines for the differently abled persons from the nearby society.
- (iii) Constructed 125 toilets for toilet less homes at Kothur Village. Biodegradable public toilets at Nacharam & Mallapur



DISASTER MANAGEMENT – COVID 19 PANDEMIC



- (i) Donation worth of 5Cr made towards the state government fighting against COVID-19 pandemic
- (ii) Provisions and supplies to the people in need from local communities
- (iii) Procured high purity oxygen concentrator to the people in need of oxygen
- (iv) Vaccination drive was conducted at IALA Mallapur where more than 1000 people were vaccinated in two days.

Occupational Health & Safety

We give utmost priority to ensuring the health and wellbeing of all our employees and stakeholders. High standards of occupational health and safety are crucial and are embedded in every aspect of our operations. We aim at providing a safe and engaging workplace for our employees. All our units have detailed employee health and safety manuals to comply with all the relevant requirements.

Our safety strategy combines infrastructure design, process management, and industrial hygiene principles. The infrastructure design emphasizes safety and risk mitigation. All our facilities are certified with ISO 45001 standard system. Our internal laboratories employ well-trained and talented professionals and state-of-the-art equipment ensuring the highest level of safety. All the visitors and service providers will be inducted on arrival to our premises with our safety practices and we allow no tolerance towards non-compliance with any safety norms or guidelines.

We ensure that each of our employees has access to appropriate safety training sessions specific to their type of work and workplace. The occupational health and safety best practices are emphasized and regularly communicated to our staff through oral and written modes. To inculcate the idea that workplace safety is also employees' responsibility, we have introduced various safety-oriented initiatives that aim at enforcing the importance and awareness of safety at all levels. Some of them are Safety Minute, Safety Incident Message, Toolbox Talk, iShield, and comprehensive training programs that reiterate 'safety as a way of life.

Training need assessment is carried out in all the sectors on various topics to ensure occupational health and safety. We have an annual safety training hours of 22 hours per person in FY 2020. Types of training topics covered include a basic understanding of the EHS policy, training for an emergency fire evacuation, handling of hazardous chemicals, and precautions to be followed.

Aragen EHS&S initiatives have been recognized as among the best in the industry and received the International Safety Award from the British Safety Council, Declared the #1 firm in the pharmaceutical manufacturing sector by CII Southern Region EHS Excellence Committee.

About 69070 hours of total training is provided for the employees of Aragen. The training hours increased by 37% over the last three years. With the onset of COVID-19, there has been a significant increase in the online training hours from FY 2020 to FY 2021.

TRAINING HOURS IN FY 20-21	
Safety-related training	6920
Compliance related training	13884
Online training	13731
Induction and other competency based training	34535
Total hours of Training provided	69070
Average training (per employee per year)	23.6

We have implemented a 360 Safety Training Kiosk, hardware with preloaded content of safety training material which is assessable for the employees. The training needs will be identified for all the levels of workers and scheduled accordingly. Experience and case study-based learnings through Accident de-briefing training, analytics, and reporting are included in the training module.

OHS MANAGEMENT STRUCTURE AND GOVERNANCE

As part of our OHSMS, we have an safety committee that includes members from the Management and workers in equal numbers.

The safety committee holds a meeting once every quarter to set objectives and agenda and is involved in informing the members and having an open discussion regarding any safety-related incident and inspections. It also serves as a platform for the employees to express their suggestions and opinions. These meetings emphasize the participation of both managerial and non-managerial employees and ensure timely response to worker inputs and suggestions.

To ensure consultation and participation of workers at all applicable levels and functions, regular safety committee meetings and internal training sessions are conducted. The opinions of our employees are considered while determining the control measures

and their effective implementation in the workplace.

Our EHS Policy emphasizes: **Provide safe and healthy working conditions for the prevention of work-related injury and ill-health; Eliminate hazards and reduce OHS risks, Continual improvement of the EHSMS to enhance EHS performance; Consultation and participation of workers and workers representatives.**

EHS PERFORMANCE

Our dedicated OHSMS is involved in the identification of activities under three categories namely, normal, abnormal, and emergency. These activities are then identified with their related safety hazards. Each of the identified hazards will then be mapped to the existing hierarchy of controls (HoC). The risks associated with the identified hazards are then assessed based on the likelihood and extent of consequence (injury/ill health). The risks are then rated as Low/Moderate/High. Applicable legal /other requirements are identified for the risk, and the opportunities for controlling these risks are determined. A suitable action plan for the same is also framed.

Senior leadership rounds are carried out regularly and any unsafe practices and conditions are reported. The violators are issued with Safety Observation Tokens (SOTs). Safety hazards are recorded, thoroughly monitored, and reviewed on a routine basis. Some of the unsafe practices include PPE noncompliances, cell phone usage, and COVID 19 protocol violations.

During the occurrence of near-miss/incident/accident, a systematic flow of communication is in place to report, so that necessary actions are taken on immediate effect. A cross-functional investigation team will be appointed to examine the event to track down the root cause, and recommendations will be suggested to avoid the

recurrence of similar incidents. If required, based on the severity of the incident, an outside institute or any qualified third party having better expertise shall be appointed to analyze the root cause. Once the investigation report is received, CAPAs will be made. It is also ensured that the investigation report along with the recommendations is circulated to all the labs to prevent similar events in the future. The investigation report will be discussed in the subsequent plant EHS Committee review meetings. The reportable accidents will be reported to statutory bodies as applicable.

For effective reporting of events, our employees are provided with counselling and classroom training for reporting incidents. Incentives in the form of certificates/ gifts of suitable nature are also provided.

We have recorded a total of ZERO Lost Time Injuries in Nacharam and Mallapur labs, for the past three years. Unfortunately, we lost a colleague to a work-related fatality in our Manufacturing Unit – 1, Hyderabad, because of a chemical explosion in 2019. A complete investigation was carried out by our cross-functional investigation team and addressed the findings in all the similar working conditions of Aragen. Most of the injuries analyzed were due to near-miss incidents, first aid cases, environmental incidents, process safety incidents, and fire incidents.

LTIFR is calculated based on one million hours worked. Data is available only for direct employees. All the injuries were analyzed, and suitable corrective actions were generated, including action plans to prevent any similar incidents in the future.

SAFETY PERFORMANCE IN FY 20-21	LTIFR	TRIR	PSER
Manufacturing Unit – 1, Nacharam	0.0	1.19	0.4
Manufacturing Unit – 2, Vizag	0.0	0.62	0.0
Nacharam Labs	0.0	1.01	0.2
Mallapur labs	0.0	0.20	0.4
Bangalore Labs	0.0	0.35	0.35

LTIFR: LOST TIME INCIDENT FREQUENCY RATE
TRIR: TOTAL RECOVERABLE INJURY RATE
PSER: PROCESS SAFETY EVENT RATE

CHEMICAL PROCESS SAFETY AT ARAGEN

Chemical process safety focuses on preventing incidents and accidents during large scale manufacturing of intermediates and pharmaceuticals – in particular, the unintentional release of potentially dangerous materials and energy to the environment during a chemical reaction, or because of a runaway reaction.

Chemical process safety uses a framework of different techniques, technologies, and models

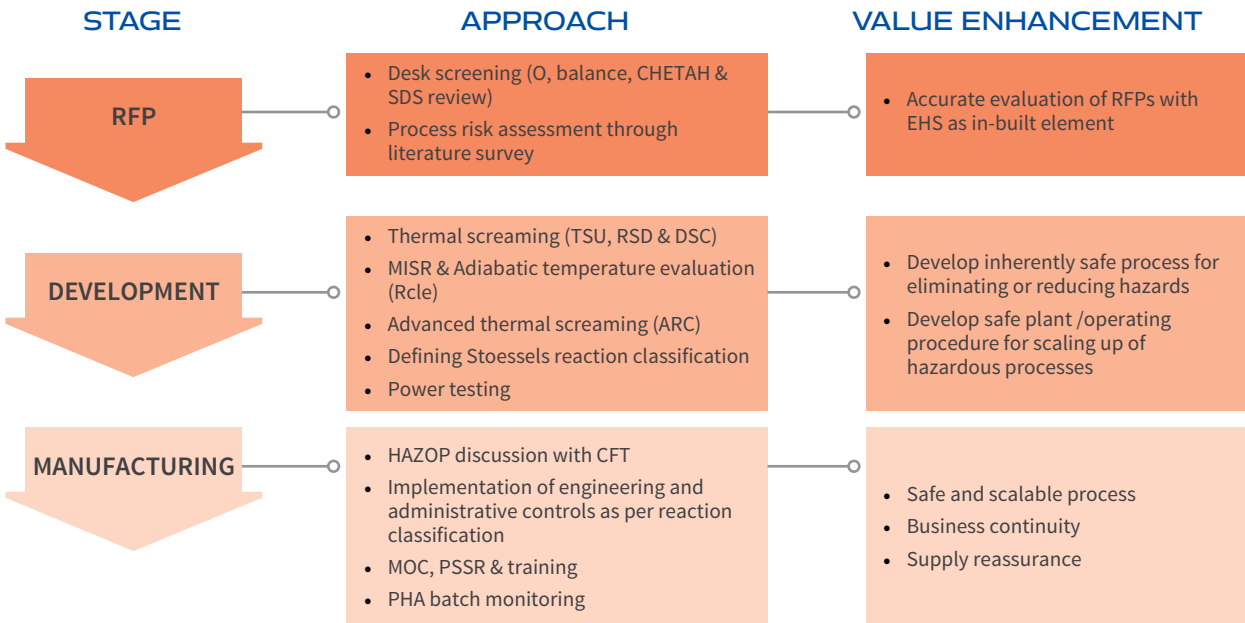


and requires an understanding of the desired and potentially undesirable reactions possible during the process. This includes the investigation of thermal events, heat transfer, mass transfer, and gas evolution, as well as stability of the starting material, the reaction mass, and the resulting products. At Aragen, chemical process safety is part of a comprehensive safety assessment for scale-up and manufacturing and is assimilated into organisation’s culture.

Process safety lab staff at Aragen are important components of active pharmaceutical ingredient (API) development through its life cycle from discovery to commercial scale. The pharmaceutical process safety laboratory staff conducts a series of tests to identify chemically unstable reagents,

intermediates and solvents, and mixtures to ensure that the proposed operating conditions provide a sufficient safety margin from the onset of undesired and potentially catastrophic thermal decomposition.

At Aragen, chemical process safety is a crucial element of overall risk assessment strategy covering life cycle of a product. Our process safety lab generates thermal hazard evaluation reports. All these reports along with other documents are used during process hazop/risk assessment. The required recommendations are suggested and implemented on shop floor during manufacturing of the products. Process Safety lab staff is certified by instrument suppliers as certified users.



SAFETY CULTURE AT ARAGEN

Safety culture is the set of shared attitudes, beliefs, and practices demonstrated by employees at all levels of the company. A positive safety culture connects everyone in the company around a common goal to measurably reduce near misses and incidents. It goes beyond following safety procedures and rules.

Safety Culture as an Investment,

- (i) Ensures business sustainability. A robust safety culture not only drives health and safety decisions within the company but also permeates all other areas of the company
- (ii) Builds employee’s morale
- (iii) Improves customer confidence.

Aragen has initiated various safety cultural improvement interventions for employees:

- Site Leadership Team (SLT) rounds conducted monthly by site leadership and spot awards are given during the round
- Strengthened internal safety audit process
- Safety Incident Messages (SIM) are circulated through mails and discussed in toolbox talks
- Friday learning session: Lessons learned from incidents; best practices from peer industries
- Quarterly value awards given to the employees for excellent contribution in EHS
- Safety tickets to encourage positive behavioural change
- Monthly outstanding achiever award towards the best contributions in EHS
- Quarterly best plant and best lab award for the best safety practices
- Contractor meeting conducted quarterly

DIRECTION, GUIDANCE	Corp. Executive Committee (Monthly)	Board, CSR and ESG Committee (Quarterly)	
PLAN, TRACK, FUND	Corp. Safety and Sustainability Committee (Bi-Monthly)	Management Investment Committee (Weekly)	
ACT, DO, COLLABORATE	EGS Team	PHA Team	Supply Chain Team
	Site EHS	R&D Team	Manufacturing Team

- Board and Management level oversight and guidance
- Corporate Safety & Sustainability Committee meetings are conducted fortnightly; Investments approved as required
- Shop floor employees are empowered to discuss safety issues and concerns with the management on various forums like Town hall meetings with CEO & Management committee (MC) members, Safety committee meetings, Toolbox talks and grievance meeting with contractors
- Continuous improvement culture: Aragen management has committed to continually upgrade engineering controls, increase automation and adding safety systems as needed with a dedicated EHS budget every year

Promoting worker’s health and safety



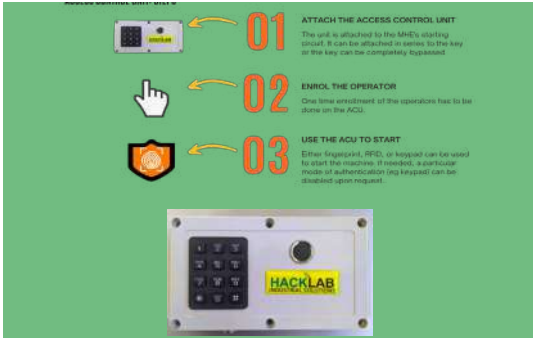
PEDESTRIAN ALERT SYSTEM (PAS)

The Pedestrian alert system consists of CAS nodes that are mounted on the MHE and TRAKR tags that are given to the workers nearby. Multiple CAS nodes (generally more than 4) are put on the MHE to ensure that there is no blind spot. Depending on the MHE model, the machine can be configured to automatically slow down or stop as soon as a person comes too close to the MHE.



ANTI-CRASH SYSTEM (ACS)

ACS unit alerts the operator when the MHE comes close to an obstacle. The anti-crash system consists of a sensor that is mounted on a side of the MHE. Multiple ACS nodes can be put on the MHE to ensure that there is no blind spot. Depending on the MHE model, the machine can be configured to automatically slow down or stop as soon as it comes too close to an obstacle.



ACCESS CONTROL SYSTEM

An access control unit controls who can view, access, use or regulate material handling equipment. It helps managers ensure accountability of operators and track potential misuse of the machines. Fingerprint, Keypad, and RFID sensors are used to ensure only authenticated operators operate the MHE.

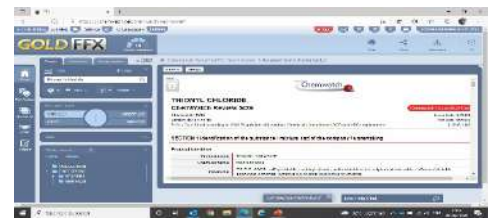
EHS&S Digital Initiatives Implemented

DIGITAL DISPLAY OF EHS INFORMATION AVAILABLE TO THE PUBLIC AND ALL THE STAKEHOLDERS:

- Environmental Monitoring Data
- Hazardous chemical inventory data
- Legal permits status
- Hazardous waste disposal details
- Site safety performance data
- Weather monitoring data



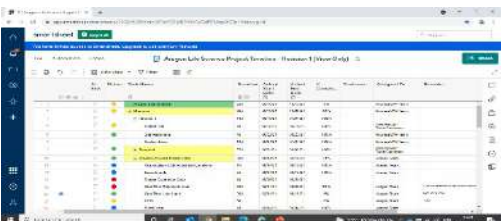
ONLINE PORTAL FOR MSDS – Chemwatch made accessible for all the employees to know about the properties and safety information about the material they handle.



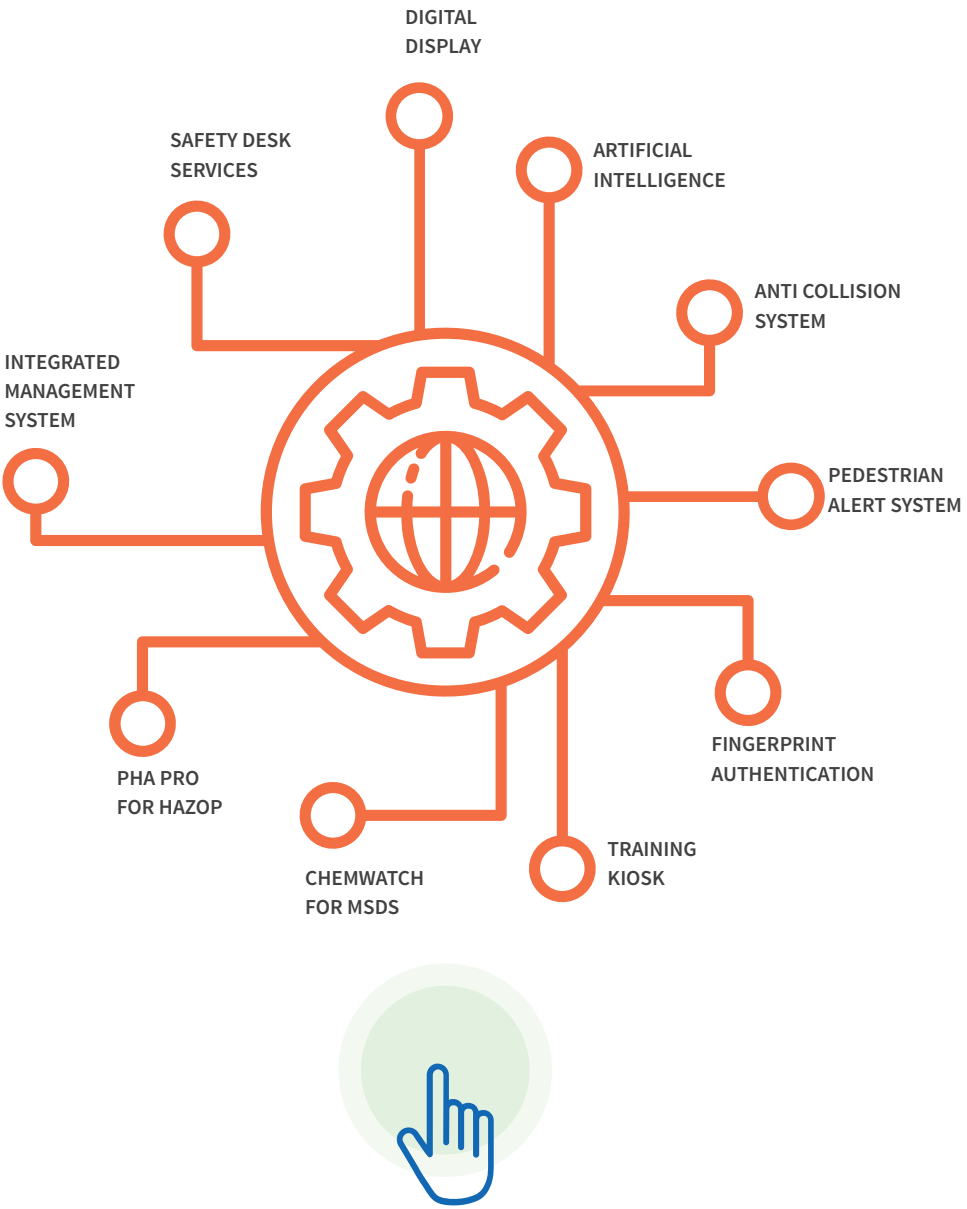
SAFETY DESK ONLINE PORTAL can be accessed by the cross-functional area managers and safety leaders across the unit which made it easy to record the safety performance data.



ALL THE EHS AND SUSTAINABILITY-related projects are being mapped in IMS software developed by process map. This tool helps the management to prepare a timebound action plan, review and monitor the status effectively.



EHS&S Digitization





WORKING AT ARAGEN

Aragen offers a safe and healthy work environment for which a third-party audit was conducted for Trust Index Assessment and Culture audit, to account the employee and management perspective, respectively. The trustindex captures the employee perspective, under factors like credibility, respect, fairness, pride, and camaraderie. The culture audit covers the management perspective, aiming to assess the quality of the people practices and policies of the organization.

To measure the progress and effectiveness of our employee empowerment initiatives, a continuous feedback mechanism is in place to inculcate trust and belongingness to the organization. A grievance redressal mechanism is established to ensure a prompt, timely, and fair response to employee grievances.

Great Place to Work

73/100
Trust Index Score

3.5/5
Culture audit Score

Learning & Development

Aragen Academy provides opportunities around five pillars of learning. We also encourage our employees towards higher education programs through our continuing education scheme that allows eligible employees for higher education.



Our flexi-benefit plan enables employees to structure and modify their compensation to personal requirements.

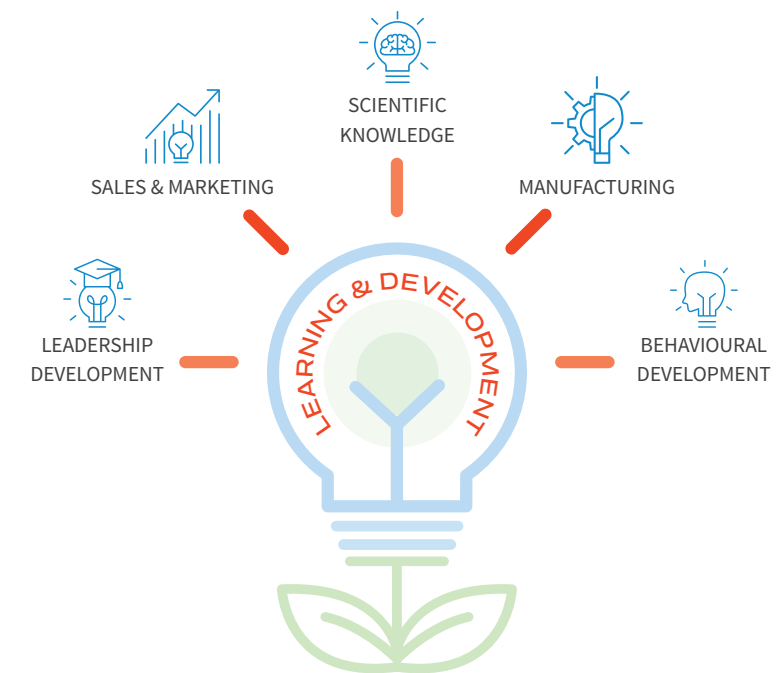
It is vital to provide support for the new joiners to adapt to the new workplace environment. We make this transition easier by providing early career support, where all the new joiners are trained for six months in classrooms and on-the-job before entering the Aragen workforce.

We help to develop and monitor individual development plans (IDP), accompanied by empowerment programs at Aragen Academy and on-the-job training.

Our first-time managers are given special training to ease their transition into managerial responsibilities.



EvolWe is our empowerment initiative for our women employees aimed at offering women the exposure, opportunities, and encouragement to grow.



Employee Wellness



We believe in the physical and mental wellness of employees is important and helps to indirectly improve the productivity of the organization.

Regular training and awareness sessions by experts in mindfulness, yoga, ergonomics, and meditation are conducted to allow sharing of their skills, knowledge, and experience, making the employees physically fit. Employees have the option of applying for health-enhancing expenses in the form of the gym, yoga, etc as a part of their flexi benefit plan. An annual health checkup is conducted for all employees at the office premises or designated medical diagnostic centers. There is a physician stationed at the campus for any medical

emergencies or consultations. A special policy is introduced to provide financial aid to cover the expenses related to the COVID-19 pandemic within the group life insurance assistance.

We have various initiatives to keep our employees stay positive, de-stress and ensure mental wellbeing. Training and awareness campaigns on positive mental attitude (PMA), stress management, time management, and assertiveness skills are provided. Employees are also provided with a digital wellness indicator in the custom online HR app e360, with an option of a 'feeling low' button. Once the feeling low button is hit, the employee will be immediately approached by a wellness partner for support. The employees are paired with 'wellness partners' within their internal team to ensure that help is available if needed. An option of flexible working hours is also made available to our workforce. Compensatory Offs (COs) are also applicable for additional hours in the order of more than 4 hours beyond the normal working hours on any weekdays, weekly offs, or public holiday.

Our workforce at a glance

EMPLOYMENT	FY 19-20	FY 20-21
Total Nos.	2511	2931
BY GENDER		
Male	2119	2447
Female	392	484
BY AGE		
under 30 years	939	1132
30 – 50 years	1537	1762
above 50 years	35	37
HIRING/ RECRUITMENT		
Hires (Nos.)	959	1066
Rate of hiring (%)	38.1	36.3
BY GENDER		
Male (%)	758 (0.79)	842 (0.79)
Female (%)	201 (0.21)	224 (0.21)
BY AGE		
Under 30 years (%)	614 (0.64)	682 (0.64)
30 – 50 years (%)	345 (0.36)	384 (0.36)
Above 50 years (%)	0 (0)	0 (0)
BY REGION		
Hyderabad	69.2%	74.2%
Bengaluru	28.3%	21.8%
Vizag	2.5%	4%

EMPLOYEE TURNOVER (%)	FY 19-20	FY 20-21
BY GENDER		
Male (%)	0.147	0.139
Female (%)	0.027	0.029
BY AGE		
Under 30 years	0.075	0.08
30 – 50 years	0.072	0.064
Above 50 years	0	0.001
BY REGION		
Hyderabad	13.8%	12.1%
Bengaluru	2.4%	3.6%
Vizag	1.1%	1.1%

We care for our employees beyond their service period with us. Our employees are encouraged to invest in government's Voluntary Provident Fund (VPF) scheme and enroll into the National Pension Scheme (NPS) to ensure a financially secure retirement life. Benefits for our full-time employees include health insurance, accident insurance, term insurance, Statutory bonus, car lease policy, pay leave, leave encashment and R&R.

PARENTAL LEAVE OVERVIEW	FY 19-20		FY 20-21	
	Male	Female	Male	Female
Total number of employees that took parental leave, by gender	178	32	153	40
Total number of employees that returned to work in the reporting period after parental leave ended, by gender	116	10	182	40
Total number of employees that returned to after parental leave ended that were still employed 12 months after their return to work, by gender	146	15	119	22

Women Welfare & Empowerment

Aragen is devoted to women empowerment in the form of maternity support and close-to-campus crèche facilities run by professionals.

Our program ‘Celebrating Motherhood’ offers expecting mothers work-hour flexibility, professional updates during their absence, medical insurance, and a warm welcome back to Aragen when they rejoin. Women’s sports meet is conducted annually.

Women employees are being employed in every division of Aragen and the share of female employees varying from 2% to 75%. The women employees in top executive positions are at 5%.



DIVISION	FEMALE	MALE	% OF FEMALE EMPLOYEES
Biologics	3	1	75%
Biology Solutions	43	58	43%
Analytical Solutions	15	40	27%
Formulations	12	41	23%
Chemistry Solutions	244	1279	16%
Corporate	12	69	15%
Common Development	36	238	13%
CMS	9	107	8%
CDS	17	230	7%
Fine Chemicals	1	65	2%
TOTAL	392	2128	16%

Non-discrimination and protection of Human Rights

We are committed to providing a safe, healthy, and harassment-free workplace environment to all the employees of Aragen Life sciences. We have integrated sustainability management into our EHS programs to strengthen the foundation for compliance, consistency, and continuous improvement.

All our employees are above 18 years of age. We will never knowingly use any forced, contractual, bonded labor as our supplier, contractor, or business partner

We are committed to providing equal opportunities with no bias on the grounds of religion, race, color, gender, disability, or sexual orientation. Employment is absolutely based on merit. All the developmental and promotional activities are based on the performance and potential of the candidates aligning with the business requirements of Aragen Lifesciences.

Aragen exhibits Zero-tolerance towards inhumane treatment. There are no harassment cases reported in our facilities for the last three years.



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NOTES

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