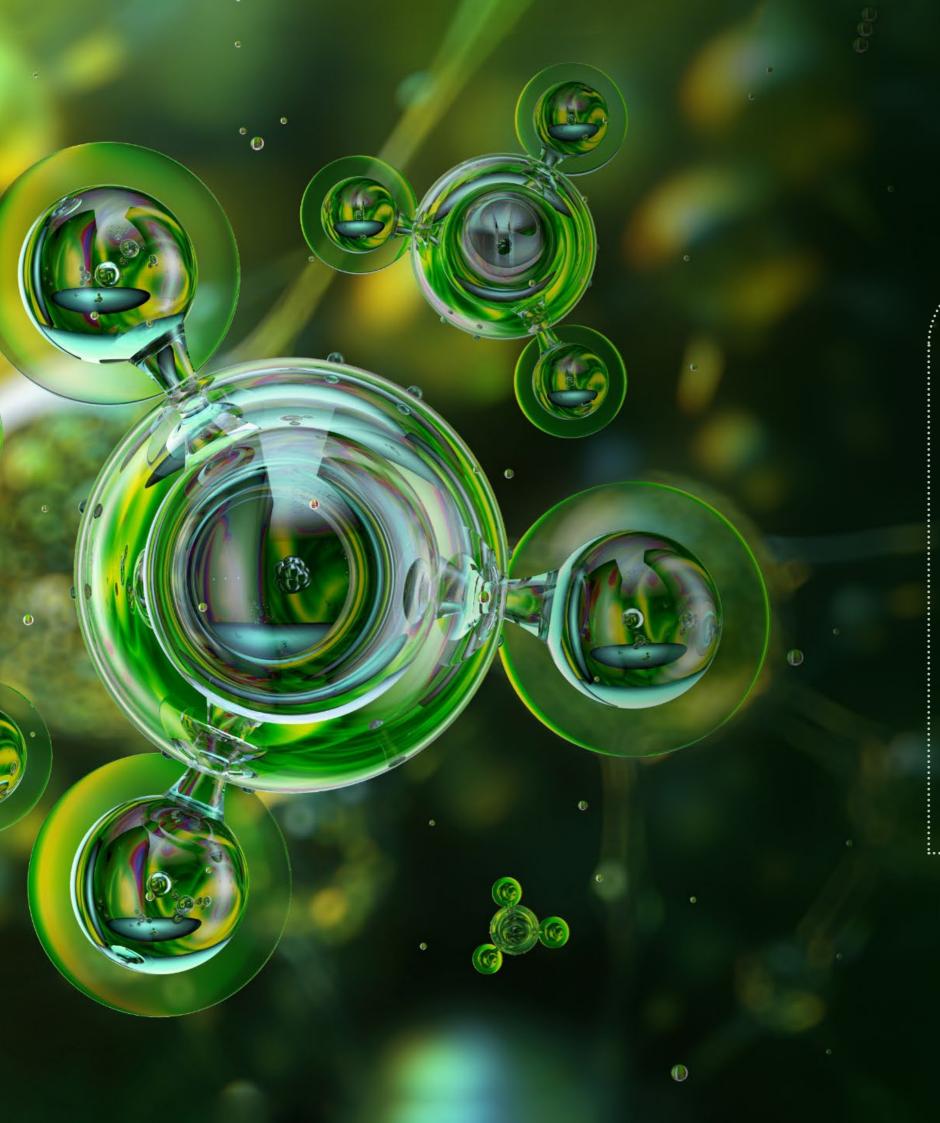




Innovation in every molecule, Sustainability in every action



In a rapidly evolving global landscape, Aragen remains steadfast in its pursuit of science-led innovation and sustainability driven action. Our theme, "Innovation in Every Molecule, Sustainability in Every Action," reflects our belief that advancement in science and responsible business go hand in hand. As a trusted R&D and manufacturing partner to the global life sciences industry, we integrate sustainability into every stage of the drug development lifecycle from discovery to commercial-scale production. This report captures how our commitment to innovation, operational excellence, and environmental stewardship is shaping a more resilient, inclusive, and sustainable future for our customers, communities, and the planet.









Management

















# CONTENTS

Stakeholder Engagement and Materiality Assessment 40

About the Report	04	Our Sustainability Strategy	44	Community: Empowering People	90
Mossago from the		Four Pillars of Aragen's sustainability journey	44	Community Wellbeing & Support	91
Message from the Leadership	06	Sustainability Commitments and Actions	46	Community Engagement & CSR	92
Year in Review: Sustainability Highlights	08	Planet: Nurturing the		Organization: Building Trust	96
		Environment	50	Innovation in Action	97
From the Desk of our Management Team	10	Energy Efficiency and Management	51	Corporate Ethics and Legal Compliance	105
		Greenhouse Gas (GHG)		Ethical Marketing Practices	107
UN SDGs Integration in		Emissions	55	Customer Health & Safety	109
our business strategy	13	Water Stewardship Waste Management and	57	Data Privacy and Security Practices	111
• • • • • • • • • • • • • • • • • • •		Resource Efficiency	61	Aragen's Commitment to	
Our Business	14	Biodiversity	64	Human Rights	114
Aragen at a Glance	14	Sustainable Facility Design	66		
What We Stand For	16	, 0		Resilient Supply Chain	116
Global Presence	17				110
Services Portfolio	18	Workforce: Our People, Our Strength	68	Sustainable Supply Chain Management	117
Economic Performance	22	Employee Wellbeing and		Responsible Value Chain	122
Awards and Accolades	26	Management	69		
Membership and		Diversity and Inclusion	75		
Associations	28	Training and Education	79	Annexure	128
Corporate Governance	29	Employee Engagement	82	Abbreviations	128
		Workplace Health and		ESG Dashboard	129
Risk Management	33	Safety	85	GRI Index	133
Integration of Sustainability in Risk				Assurance Statement	139
Management	33				

























# ABOUT THE REPORT

Aragen Life Sciences takes pride in presenting its sustainability report for the financial year 2024-25, marking the fifth consecutive year of transparently charting our progress and actions towards sustainability. We published our first Sustainability Report in FY 2018-19, and since then have been consistently reporting on our sustainability efforts and progress each year.

This report reflects our holistic approach to building a sustainable future. At Aragen, we believe that

true progress transcends financial metrics. Our commitment to sustainability is not a standalone endeavor but an integral part of our business strategy, driving innovation and excellence. We recognize that our responsibilities extend beyond the manufacturing sites, research laboratories and boardroom, from safeguarding the environment we value to empowering the people we collaborate with and contributing positively to the communities we

#### Reporting Scope and Boundary

The report covers all operations of Aragen including Research & Development (R&D) and Manufacturing locations across India and R&D facility in California (USA). We have our global headquarters located in Nacharam, Hyderabad, India and our R&D and manufacturing facilities are in India and USA. We use 2021 as the baseline year for comparing all data in the report.

#### **R&D Campuses**

- · Nacharam, Hyderabad, Telangana
- Mallapur, Hyderabad, Telangana
- Bengaluru, Karnataka

#### **Manufacturing Facilities**

- · Nacharam, Hyderabad, Telangana
- · Visakhapatnam, Andhra Pradesh

#### **Reporting Period**

We report our Sustainability disclosure annually and the reporting period is 1st April 2024 - 31st March 2025.

#### **Reporting Framework**

This report has been prepared with reference to Global Reporting Initiative (GRI) 2021 standards and also aligns with the United Nations Global Compact (UNGC) principles and the United Nation's Sustainable Development Goals (UNSDGs).

#### **Changes in Reporting Requirement**

There is no significant change either in material topic or in topic boundary in this report against previous

#### **Independent Assurance of Report**

CETIZION Verifica has conducted limited assurance









Management

Strategy











Annexure



# MESSAGE FROM THE **LEADERSHIP**

# **Message from the Whole-Time Director & CEO**

### Dear valued stakeholders,

As we unveil Aragen Life Sciences' Sustainability Report for FY25, I am filled with a deep sense of pride and gratitude. This report is not just a reflection of our progress; it is a reaffirmation of our purpose, "In every molecule is the possibility for better health." This purpose continues to guide every decision we make, every partnership we forge, and every step we take towards building a more sustainable, inclusive, and resilient future.

Over the years, sustainability has evolved from a guiding principle to a strategic imperative at Aragen. Today, it is the lens through which we operate, innovate, and lead. It influences how we design our laboratories, how we manage our supply chains, how we engage with communities, and how we empower our people. FY25 has been a defining year in this journey; one marked by measurable progress, global recognition, and a renewed commitment to longterm impact.

A major highlight in FY25 was the validation of Aragen's climate targets ambition by the Science Based Targets initiative (SBTi), confirming alignment with the Paris Agreement's 1.5°C trajectory. This validation underscores the company's rigorous and transparent approach to decarbonization. Currently, 24.7% of Aragen's total energy consumption is sourced from renewables, with the California facility operating entirely on renewable power. Plans are in motion to expand solar energy infrastructure at Hyderabad, Bengaluru and Vishakhapatnam sites.

Water stewardship is a top priority, with efforts progressing towards water neutrality by 2035. This year saw 29% increase in water recycling capacity, expanded rainwater harvesting, and sustained Zero Liquid Discharge (ZLD) status at the Hyderabad manufacturing and Bengaluru R&D facility efforts that strengthen local water security.

In waste management, Aragen achieved zero landfill status for hazardous waste as of July 2024. All nonhazardous waste is now fully recycled or reused,

while hazardous waste is managed in full compliance with regulations.

Aragen received the Platinum Medal from EcoVadis in CY24, placing the company among the top 1% of global performers in sustainability. This recognition spans environmental performance, human rights, business ethics, and sustainable procurement. Aragen's participation in the United Nations Global Compact (UNGC) and alignment with the UN Sustainable Development Goals (SDGs), especially those focused on good health & well-being, gender equality, decent work & economic growth, responsible consumption & production, climate action and partnership for the goals, reflects a deep commitment to global frameworks.

Central to Aragen's sustainability journey is its people. The company was certified as a Great Place to Work (GPTW) for the sixth consecutive year. Investments in employee wellbeing, safety, and career growth were significantly enhanced during FY25. Training initiatives across technical, leadership, and compliance domains saw strong participation, while an internal mobility program supported crossfunctional career development.

Aragen's Diversity, Equity, and Inclusion (DEI) initiatives gained momentum, with notable increases in female hiring and leadership representation. A dedicated Women in STEM Leadership Program mentored over 100 early career scientists, laying the groundwork for long-term gender diversity in scientific leadership.

The company continued to improve safety performance, achieving a lower Total Recordable Incident Rate (TRIR) compared to the previous year. This was made possible through safety audits, enhanced training, and behavioural safety programs emphasizing shared responsibility.

Aragen also advanced sustainable logistics by partnering with DHL GoGreen to integrate Sustainable Aviation Fuel (SAF) in product shipments; an initiative aligned with its broader decarbonization goals. On the innovation front, the company expanded its use of green chemistry, reducing solvent usage in key synthesis projects, and piloted continuous manufacturing technologies to enhance efficiency and reduce waste. Aragen remains committed to aligning disclosures with global standards including GRI, DJSI, and UNGC.

None of this progress would be possible without the passion, resilience, and commitment of our people.

I extend my heartfelt gratitude to our employees, customers, partners, and communities for their unwavering support. Your trust inspires us to aim higher, act bolder, and lead with purpose.

Together, we are not just building a company we are shaping a future where science, sustainability, and social impact go hand in hand. Thank you for being part of this journey.

Our Business





At the heart of every breakthrough at Aragen is the belief that innovation and sustainability are intertwined. By integrating sustainability into our innovation, we ensure that today's advancements create a better, more responsible tomorrow for both people and the planet.























Annexure

# YEAR IN REVIEW SUSTAINABILITY HIGHLIGHTS

# Message from the SVP & Head, EHS & Sustainability

At Aragen, sustainability is not a standalone objective; it is integral to our mission of advancing human health. We recognize that meaningful impact is created through purposeful action, guided by a clear vision and grounded in disciplined execution. In FY25, our approach continued to be shaped by the UN Sustainable Development Goals (SDGs), driving us to embed sustainability across all facets of our operations from scientific innovation to social equity and environmental stewardship.

Our sustainability strategy is anchored on four pillars: Healthy Planet, Healthy Organization, Healthy Workforce, and Healthy Communities. These pillars guide our Environmental, Social, and Governance (ESG) initiatives and reflect our commitment to creating long-term value for all stakeholders.

Healthy Planet underscores our commitment to environmental stewardship. We have implemented robust climate action and water conservation measures. As part of our CDP 2024 disclosures, Aragen received an A- rating for Water Security and B rating for Climate Change. We were also included in CDP's 2024 Supplier Engagement Assessment A List, recognizing our efforts to drive climate action across the value chain. Additionally, we received SBTi approval for both our near-term and net-zero targets. These ratings & target approvals from SBTi; reflect our proactive efforts in climate resilience, energy efficiency, and sustainable resource management. Our Platinum medal from EcoVadis, placing us in the top 1% of companies globally, further validates our environmental performance and sustainable procurement practices.

Healthy Organization reflects our commitment to ethical governance, operational excellence, and responsible innovation. We maintain high standards of transparency, compliance, and risk management across our global operations. Our integrated ESG framework ensures that sustainability is embedded in decision making processes, from R&D to supply chain management. Aragen's integrated approach to sustainability has led to a significant milestone becoming the first and only CRDMO in India to receive the Platinum medal in the EcoVadis sustainability assessment, the highest level of recognition awarded.

Healthy Workforce is about fostering a safe, inclusive, and empowering workplace. In FY25, we achieved a gender diversity milestone of 22.3%, a significant step forward in our inclusion journey. This progress was recognized in the Gender and Forward Faster Report at the 8th Gender Equality Summit 2025. We continue to invest in employee well-being, learning and development, and leadership opportunities to nurture a resilient and future-ready workforce.

Healthy Communities captures our efforts to uplift the ecosystems in which we operate. Through targeted CSR initiatives, we support education, healthcare, and livelihood programs that create lasting social impact. Our community engagement is rooted in collaboration and shared value, ensuring that our growth contributes to broader societal progress.

As we publish this sustainability report, we not only celebrate the progress made but also renew our commitment to continuous improvement and transparency. With "In every molecule lies the possibility for better health" as our guiding belief, we remain dedicated to advancing sustainable solutions that benefit people, communities, and the planet.

We thank our stakeholders for their trust and support, and we welcome your continued engagement as we work toward a more resilient and sustainable future.



SVP & Head, EHS & Sustainability



Our sustainability strategy is anchored on four pillars Healthy Planet, Healthy Organization, Healthy Workforce, and Healthy Communities. These pillars quide our Environmental, Social, and Governance (ESG) initiatives and reflect our commitment to creating long-term value for all our stakeholders.























# From the Desk of our Management Team



Subodh Deshmukh

**CEO Biologics and President Development & Manufacturing** 

At Aragen, sustainability is a core pillar of our biologics development and manufacturing strategy. We are committed to adopting environmentally responsible practices by integrating green technologies, optimizing processes for energy and water efficiency, and minimizing waste. Our focus extends beyond compliance. We aim to create long-term value for our customers, employees, and the environment. By fostering a culture of innovation and responsibility, we ensure that our scientific advancements contribute to a healthier planet while meeting the evolving needs of the global healthcare ecosystem. Sustainability, for us, is progress with purpose.



**Sachin Dharap** 

Chief Financial Officer (CFO)

I am proud to reaffirm our strong commitment to sustainability. At Aragen, we believe that financial success and responsible practices go together. Sustainability factors shape every financial decision we make. Whether it is reducing our carbon footprint, sourcing responsibly, or building a diverse team, we are focused on longterm value. We lead with transparency and report our progress openly.



**Ashu Tandon** 

Chief Commercial Officer (CCO)

Sustainability shapes the way we grow and operate. Sustainability principles guide our business strategy and help us find opportunities that benefit both our stakeholders and the planet. We work with partners who share our values and help us drive positive social impact. Through strong relationships and shared goals, we aim to build a cleaner, more responsible future.



Suresh Anubolu

Chief Human Resources Officer (CHRO)

Our people are at the heart of our sustainability journey. We are building a workplace at Aragen that is safe, healthy, and inclusive. We care deeply about employee well-being and engagement. Our teams are actively involved in our sustainability efforts, and we value every voice. With a strong sense of purpose and teamwork, we aim to make a lasting difference for our people and communities.



#### Malavika Ghosh

Senior Vice President, Global Preclinical Research Services

At Aragen, we integrate sustainability into every stage of preclinical research. By leveraging innovative technologies and optimizing resource use, we ensure highquality scientific outcomes with minimal environmental impact. Our commitment supports ethical research practices and reflects our dedication to building a more responsible and sustainable life sciences ecosystem.









Management



Strategy















**Supply Chain** 



# **ESG PERFORMANCE** HIGHLIGHTS FOR FY 2025

# Environment



**24.7%** of total energy sourced from renewables

96% reduction in coal consumption

29% water recycled and reused

**10.7%** reduction in water intensity

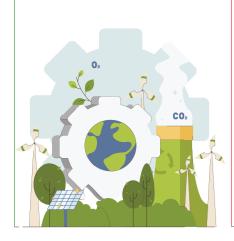
**21.87MTCO2** GHG emission (Scope 1,2&3) intensity per employee

**Zero** landfill status for hazardous waste

**Zero** environmental violations

**82** score in Ecovadis (Platinum rating)

A - rating in water security, **B** rating in climate change and **A** rating in supplier engagement in CDP 2024 disclosure



# Social



22.3% gender diversity in workforce

98% return to work rate post parental leave

**25.97** average hours of training imparted per employee

**Zero** recordable work- related fatalities

**Zero** Lost Time Incident Rate (LTIR)

**0.16** Total Recordable Injury Rate (TRIR)

**317 lakhs** spent in CSR programs

67% of total procurement spend was sourced domestically from local suppliers in India

12% of total domestic shipments through EV/CNG vehicle

**63%** suppliers trained on Green **Supply Chain Management** 

**42%** of total procurement budget directed towards local suppliers



### Governance



12.5% board gender diversity

**38%** of independent directors

**5** committees at the Board level

**Zero** data breaches

**Zero** confirmed corruption

**Zero** incidents of discrimination

#### **Green procurement**

framework for suppliers assessment

**No suppliers** or operations identified as being at risk of child labor or forced labor



# **UN SDGs Integration in our business strategy**



Six SDGs are integrated into Aragen's business strategy Note: Presented data is from FY21 to FY25





















# **OUR BUSINESS**

# **Aragen at a Glance**

Aragen Life Sciences Limited is a leading global Contract Research Development and Manufacturing Organization (CRDMO) providing end-to-end solutions across the biopharmaceutical value chain from drug discovery to commercial manufacturing for both small molecules and biologics. Established in 2001, Aragen partners with global life sciences companies to accelerate their R&D programs with proven capabilities in medicinal chemistry, biology, process development, scale-up, and manufacturing.

Driven by the purpose "In every molecule is the possibility for better health," Aragen combines scientific excellence with a strong commitment to sustainability principles. With advanced infrastructure in India & the U.S. and approvals from global regulatory agencies like USFDA, WHO, and EMEA for our facilities, Aragen contributes to improving healthcare outcomes for patients worldwide.



# **2001–05**Laying the Groundwork

- Established as an informatics company in Hyderabad, India
- Expanded into Chemistry Services
- Initiated Clinical Pharmacology operations
- Acquired manufacturing unit in Nacharam
- Laid the foundation for an integrated R&D campus



# **2006–10**Broadening Capabilities

- Formed a strategic partnership with Wyeth Research
- Added Biology Services and Fine Chemical Development to the portfolio
- Inaugurated a dedicated Discovery Chemistry Research Center
- Launched the first Integrated Discovery Program



# 2011-15 Going Global

- Expanded Discovery Services across new therapeutic areas
- Entered early development and scale-up
- Established India's largest isotope labeling facility in Hyderabad
- Received global regulatory approvals (USFDA, EMEA, KFDA, PMDA) for manufacturing facilities
- Set up Formulation Development Labs in Bengaluru
- Inaugurated the second R&D campus in Mallapur, Hyderabad
- Acquired a US-based preclinical CRO specializing in biologics



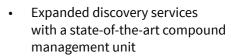


**Deepening Integration** 

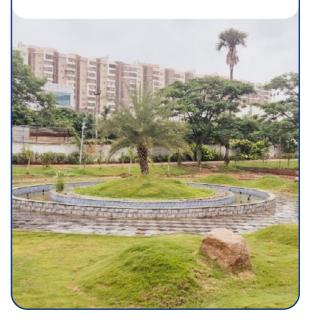
- Opened a third R&D campus in Bengaluru
- Commissioned second manufacturing facility in Visakhapatnam
- Spun off informatics business as an independent entity
- Launched India's first mobile app for discovery services
- Set up a Fine Chemical Manufacturing Plant in Hyderabad
- Merged Inogent Laboratories into the main business
- Expanded formulation capabilities and biologics labs in the US

# 2021 till today Accelerating Impact





- Commissioned a new R&D facility in Visakhapatnam
- Commissioned a world-class formulations manufacturing facility in Hyderabad
- Operationalized the first phase of the biologics manufacturing facility in Bengaluru
- Initiated a \$30M bio-manufacturing project in India
- Announced a ₹2,000 Cr expansion plan over five years
- Received silver (2023) and platinum (2024) EcoVadis sustainability medals
- Secured SBTi approval for near-term and net-zero GHG emissions targets
- Achieved Great Place to Work certification for six consecutive years















Management

**(**\$5)

Planet

Strategy













4 | Aragen Life Sciences

Sustainability Report 2024-25 | 15



### **What We Stand For**



We believe at Aragen that within each molecule lies the potential to make a meaningful difference in lives. This belief fuels our passion for science, drives our pursuit of innovation, and shapes our commitment to delivering impactful solutions across the biopharmaceutical spectrum.

We exist to transform possibility into progress by unlocking the therapeutic promise of small molecules and biologics. We help bring life changing medicines to those who need them most. From early discovery to commercial manufacturing, every step we take is guided by a deep sense of responsibility to patients, partners, and global health systems.

This purpose is not just a statement; it is our north star. It defines why we do what we do, inspires our teams across geographies, and aligns our efforts to a greater cause enabling better health, one molecule at a time.

# **Our Values Empowerment** Freedom to make a difference Teamwork One Team, One Purpose **Honesty & Integrity** Say what you do. Do what you say **ETHICS** Innovation Unlocking our collective genius **Customer Focus** Exceeding expectations consistently **Safety & Compliance** First and Always

# **Global Presence**

Aragen has established a robust global presence with operations and partnerships spanning the USA, Europe, and APAC regions. With six campuses across India and the US, the company strategically integrates small molecule and biologics R&D, GLP toxicology, and manufacturing capabilities.

Regional sales centers in key markets like California, New Jersey, the Netherlands, and Japan ensure customer proximity, while the co-location of discovery and development facilities enables seamless project transitions. Leveraging India's cost advantage, Aragen delivers high quality, integrated solutions to global innovators, supported by specialized infrastructure such as four vivarium for biology services and biologics manufacturing capabilities.



























Annexure

# **Services Portfolio**



# From Concept to Commercial



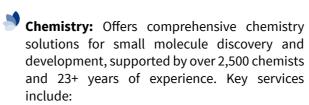
At Aragen, we offer integrated, end-to-end solutions across the novel molecule development lifecycle, supporting both small and large molecule programs in the human, animal, and plant health areas. With over two decades of experience, we have earned a reputation as a trusted partner in the Contract Research Development and Manufacturing (CRDM) space.

Our expertise spans discovery, development, and manufacturing, enabling life sciences companies to accelerate the journey from concept to clinic. Backed by a skilled and dedicated workforce, cutting-edge research facilities, and advanced technologies, Aragen is committed to delivering high quality, efficient, and innovative solutions that drive meaningful impact. For more information, visit: www.aragen.com

#### **Our Business Solutions Small Molecules** Large Molecules (Biologics) **Development & Development &** Discovery Discovery Manufacturing Manufacturing Integrated Drug Drug Substance Integrated Process Discovery Research & Discovery Drug Product Development Chemistry Biology Analytical Bioproduction Biology Development Molecular Developability & **Biology** Safety Performance Analytics Chemicals Assessment Antibody GMP Discovery Custom Manufacturing **Protein Sciences** Chemical Synthesis Cell Line Commercial Development Manufacturing

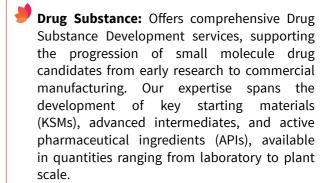
# **Small Molecules: Discovery**

Integrated Drug Discovery: Aragen's Integrated Drug Discovery platform helps advance small molecule programs from early discovery to key decision points. It combines expertise in chemistry, biology, pharmacology, and formulation development, ensuring high-quality results. Each project is managed by dedicated leads, and Aragen's project management platform, XLRATE, ensures smooth collaboration, fast execution, and effective communication.



- Medicinal Chemistry: Design and optimization of lead compounds
- Synthetic Chemistry: Complex and exploratory synthesis using modern technologies
- Peptide Platform: Focused peptide library synthesis
- Specialty Chemistry: Advanced synthetic platforms for differentiated molecules
- Analytical Chemistry: Quality assurance and data integrity before biological testing
- Biology: Provides comprehensive Biology Services to support small molecule drug discovery, guiding programs from initial concept to clinical candidate nomination. Our biology experts collaborate closely with clients, integrating seamlessly into internal R&D teams to provide strategic insights, execute studies, and interpret data.
- Safety Assessment: Provides comprehensive Safety Assessment Services to support the development of small molecule drugs, ensuring regulatory compliance and informed decisionmaking throughout the drug discovery process. Operating from an AAALAC-accredited and OECD-certified facility in Pune, India, Aragen offers a range of services tailored to the needs of pharmaceutical, biotechnology, and chemical industries.

# Small Molecules: Development and Manufacturing



Drug **Product:** Comprehensive Drug Product Development services to advance small molecule candidates from preclinical stages to market-ready formulations. The multidisciplinary team excels in overcoming challenges related to solubility, stability, and bioavailability, ensuring the development of optimal dosage forms with minimal drug substance novel molecule.

Analytical Development: Aragen analytical solutions are phase-appropriate and executed in parallel. Our approach is iterative, focusing on continuous improvement so that the developed and validated methods support the progress of customer drug candidates. Our experienced analytical scientists ensure data generated supports global regulatory requirements for Investigational New Drug (IND) / New Drug Application (NDA)/ Abbreviated New Drug Application (ANDA) submissions.

Performance Chemicals: Specialized Performance Chemicals solutions tailored for the agrochemical and material science industries. Our services encompass both integrated and standalone approaches, facilitating the development and supply of key starting materials (KSMs) and advanced intermediates from kilo lab to plant scale.

Custom Chemical Synthesis: Specialized Custom Chemical Synthesis services to meet the commercial requirements of key starting materials (KSMs), intermediates, and active pharmaceutical ingredients (APIs) across various industries, including innovator and generic pharmaceuticals, agrochemicals, and other chemical sectors.

























**Commercial Manufacturing:** Comprehensive Commercial Manufacturing services for Active Pharmaceutical Ingredients (APIs), supporting clients from early development to market launch. Our integrated approach ensures seamless progression from lab scale processes to full-scale commercial production.

# **Large Molecules - Discovery**

- Integrated Discovery: Integrated Discovery Services for large molecules, providing end-to-end solutions from target identification to preclinical testing. Our approach combines flexibility, speed, and quality to address complex challenges in biologics development.
- **Biology:** Comprehensive Biology Discovery Services for large molecules, supporting preclinical development across various therapeutic areas. Our offerings encompass a range of in vitro and in vivo assays designed to evaluate the pharmacological and toxicological profiles of biologics.
- Molecular Biology: Comprehensive Molecular Biology Services designed to accelerate research and development across various therapeutic areas. Our services encompass gene cloning, plasmid DNA preparation, and gene expression analysis, tailored to meet the specific needs of clients. Aragen's state-of-the-art biologics facility is equipped with advanced instrumentation, including thermal cyclers, real time PCR instruments, pulsed field electrophoresis systems, gel documentation systems, NanoDrop spectrophotometers, Codex Bio-XP, and Biotage PhyPrep. These tools are supported by an experienced team with a proven track record in discovery and early development programs.

- Antibody Discovery: Comprehensive Antibody Discovery Services to support the development of monoclonal antibodies for therapeutic and diagnostic applications. Our services integrate advanced technologies and expertise to deliver high quality, target specific antibodies.
- **Protein Sciences:** Comprehensive Protein Sciences services, encompassing protein expression, purification, and advanced analytics to support biologics development. Our capabilities cater to both small and large molecule drug discovery, ensuring high-quality deliverables for preclinical and clinical applications.
- Cell Line Development: Cell Line Development (CLD) services, specializing in the creation of high-yield, stable mammalian cell lines to produce biologics. With over 200 successful CLD projects and more than 100 cell lines advancing to clinical stages, Aragen has established a strong track record in accelerating biologics development. Notably, over four of Aragen's cell lines are currently producing marketed products.

# Large Molecules - Development and Manufacturing

- Process Research and Development: Process Research & Development (PR&D) services for large molecules, focusing on accelerating biologics development from early research to clinical manufacturing. With over 20 years of experience, Aragen provides a multidisciplinary approach to optimize upstream, downstream, and analytical processes, ensuring scalable and reproducible methods that expedite the timeline to Investigational New Drug (IND) submission.
- **Bioproduction:** Bioproduction Services to support the development of biologics, including monoclonal antibodies (mAbs), therapeutic proteins, and fusion proteins. Our services encompass the entire gene-to-protein process, from gene synthesis and optimization to the supply of ready-to-use proteins with appropriate characterization data.
- **Developability and Analytics:** Developability assessment is a critical step in biologics development, focusing on evaluating the physicochemical properties of therapeutic candidates such as antibodies and recombinant proteins to ensure their safety, efficacy, manufacturability, and stability throughout the drug development lifecycle. This process helps identify potential issues early, mitigating risks of costly late-stage failures and streamlining the path to clinical success.
- Good Manufacturing Practice (GMP) Manufacturing: End-to-end GMP manufacturing services for large molecule (Biologics), supporting both clinical and commercial production. Our facility uses flexible single use bioreactors (2,000L, scalable to 5,000L) and advanced technologies like high-titer cell culture, continuous processing, and membrane chromatography. This setup ensures efficient, costeffective, and scalable biologics manufacturing from development to market.







. .





















# **Economic Performance**



At Aragen, our commitment to economic resilience is anchored in responsible and ethical business practices. We strive to create long-term value by consistently driving innovation and contributing to improved livelihoods. Our economic performance is closely monitored and reported in full compliance with applicable regulations, and our financial activities are independently audited to uphold transparency and accountability.

In FY 2025, we experienced 11.02 % increase in direct economic value generated and a 11.55% increase in economic value distributed compared to FY24.



# **Key Financial Highlights for** FY 2025 (INR Crores)

INR 1,870.29

Total income

INR 478.47 **EBIDTA** 

25.58% EBITDA margin

INR 256.36 Profit before tax

INR 180.38 Profit after tax

INR 1,213.60 Net fixed assets

9.64 % PAT Margin

Basic EPS INR 8.78 and Diluted EPS INR 8.65

Earnings per share

### **Economic Performance:**

Parameter	FY 2025	FY 2024	FY 2023	
1) Direct Economic Value Generated				
a) Revenues	18,583.52	16,738.85	17,448.57	
2) Economic Value Distributed				
a) Operating Costs	7,682.87	6,470.49	7,230.93	
b) Employee wages and benefits	6,173.53	5,721.74	5,119.43	
c) Payment to providers of capital (dividends, interests)	766.38	866.2	986.35	
d) Payments to governments by country pertaining to India & USA	765.42	701.99	948.07	
e) Community Investments	31.77	57.43	42.51	
Total Economic Value Distributed	15,419.97	13,817.85	14,327.29	
3) Economic Value Retained				
Total Economic Value Retained	3,170.87	2,921.00	3,121.28	

<sup>\*\*</sup>Values are in million INR

# **Employee Financial Wellbeing**

Aragen acknowledges that financial security plays a vital role in supporting overall wellbeing. To support this, we offer our employees a comprehensive range of benefits tailored to local market practices and industry standards. These include access to expert tax and financial planning services, company cars, and insurance benefits. By providing these additional

benefits, we aim to enhance the economic security of our employees, helping them navigate their financial landscapes, make informed decisions, and optimize their financial strategies. This approach ensures our workforce is empowered to achieve both financial stability and personal goals.

Retirement Plan	Type of Plan	Level of Participation	Applicable Country	% Salary Contribution by Employer	% Salary Contribution by Employee
Provident Fund	Defined contribution	Mandatory	India	3.67%	12%
Pension	Defined Benefit	Mandatory	India	8.33%	0%
Voluntary provident fund	Defined contribution	Voluntary	India	0%	Based on employee request
Gratuity	Defined Benefit	Mandatory	India	4.81%	0%
ESI	Defined contribution	Mandatory	India	3.25%	0.75%











Strategy













# **Taxation**

Aragen has a comprehensive tax strategy that aligns with its broader business goals and sustainability commitments. The strategy emphasizes full legal compliance, transparency, and ethical tax practices while supporting innovation, community development, and long-term value creation.

# **Key Elements of Aragen's** Tax Approach

- Compliance & Transparency: Aragen strictly complies with applicable tax laws in all operating jurisdictions. The company maintains transparency through detailed disclosures in its annual reports and sustainability communications.
- Integration with Business & Sustainability Goals: Tax planning at Aragen is closely tied to its growth strategy, enabling reinvestment into R&D, environmental initiatives, and local economic development. This alignment supports the achievement of UN SDGs and other sustainability benchmarks.
- Governance & Oversight: The Board of Directors oversees the tax strategy, with direct accountability assigned to the Chief Financial Officer (CFO). A dedicated Audit Committee conducts quarterly reviews alongside a global audit firm to ensure compliance and mitigate tax-related risks.
- **Risk Management:** Tax risks are proactively identified, assessed, and managed through regular internal audits and external reviews. Internal policies and staff training programs ensure consistent adherence to tax governance standards.

**Stakeholder Engagement:** Aragen promotes open communication with stakeholders and publishes transparent tax disclosures. Mechanisms such as a whistleblower policy, ombudsman access, and functional committees allow employees and stakeholders to report concerns confidentially.



# **Indirect Economic Impact**

Aragen contributes positively to local economies by creating jobs, supporting suppliers, and investing over \$1.5 million in sustainability initiatives over five years. Indirect challenges include regulatory compliance costs and environmental impacts, which are managed through mitigation strategies and continuous improvement.

# **Public Policy & Advocacy**

Aragen engages constructively with tax authorities and industry groups, contributing to fair and transparent policy development. The company advocates for tax frameworks that promote responsible business conduct and sustainable economic growth.

# **Employee Economic Benefits**

At Aragen, our commitment to employee welfare goes beyond the workplace it touches every aspect of their well-being, including financial security and peace of mind. We believe that when people feel valued and supported, they thrive and so does our organization.

That's why we have built a culture where fair compensation, equitable opportunity, and long-term financial stability are more than just policies they are promises.

# Fair Pay for Every Role, Every Person

We stand firmly for fairness. Whether permanent or contractual, all Aragen employees receive compensation that is not only compliant with laws but also aligned with our values of respect and equity. We ensure pay practices are fair, transparent, and consistent across all levels.

# **Beyond Compliance: A Living Wage Promise**

Our commitment to livable wages is unwavering. Aragen's entry-level compensation is approximate 15% higher than the average minimum wage, ensuring all team members receive a dignified living wage from their very first day. We champion equal pay for equal work, regardless of gender. By maintaining a transparent wage structure and closing pay gaps, we nurture a culture of inclusion where talent is recognized and rewarded fairly.

The compensation structure for employees at the entry level reflects a commitment to adhering to regional minimum wage standards across various locations. In cities like Hyderabad, Bengaluru, and Pune, as well as in the state of Andhra Pradesh, the average gross monthly compensation for employees with an M.Sc. or B.Sc. and other qualifications (like PhD, Scientist) aligns closely with the prescribed minimum wage rates. This alignment underscores the organization's dedication to ensuring fair and equitable remuneration practices, fostering a work environment that values compliance and supports the financial well-being of its employees.

# Financial assistance received from government

Governments around the world offer financial assistance to stimulate industrial growth, reduce production costs, and promote innovation. Aragen has benefitted from such support, enabling us to deliver high-quality products and expand our capabilities.

- Support from the Government of India: In FY25, Aragen received financial assistance of INR 11.94 crores from the Government of India under two key initiatives:
- » Merchandise Exports from India Scheme (MEIS): Aimed at boosting exports by offering duty credit scrips to reduce production costs.
- » Production Linked Incentive (PLI) Scheme: Designed to incentivize local manufacturing and enhance production efficiency.
- Global Operations: Our wholly owned subsidiary in the United States did not receive any financial support from local or federal authorities in FY25. Nonetheless, we remain committed to operational excellence and continue exploring growth opportunities across all markets.

# Our Investment in Local Supply **Chains**

Sustainability is at the core of our operations, guided by the principles of green chemistry and responsible supply chain management. We actively benchmark our environmental performance against global standards / sustainability ratings such as the EcoVadis Sustainability Ratings, ensuring continuous improvement and accountability. By deploying greener solutions and embedding eco-conscious practices throughout our value chain, we not only reduce waste and optimize logistics but also drive innovation and operational

In FY25, 42 % of our total procurement budget was directed towards local suppliers, underscoring our commitment to strengthening regional economies and cultivating resilient, sustainable partnerships. This integrated approach not only enhances our environmental footprint but also reinforces our corporate integrity and long-term business impact.



























# **Awards and Accolades**

Aragen's commitment to sustainability, innovation, and supplier engagement has been widely recognized by leading industry bodies. Our supply chain initiatives rooted in ethical practices, transparency, and local empowerment have earned us multiple accolades across national forums. These awards reflect our dedication to building a future-ready, high-performing, and responsible supply chain.



**Great Place To Work** for six consecutive years in a row



**Platinum medal** to top 1% companies by Ecovadis



India's Best Workplaces™ in Pharmaceuticals, Healthcare, and Biotech 2024

India's **Best Workplaces in Pharmaceuticals,** Healthcare, and Biotech



A- rating in water security, B rating in climate change and A rating in supplier engagement assessment



**LinkedIn Top Companies** (Global CRDMO)



**Gold Award** for Excellence in Supplier Relationship Management



**Gold Award** at OHSSAI 9th Annual HSE Excellence & ESG Global Awards 2024 in Safety, Environment and ESG category



**Bringing Home** the WOW Factor



**Best Digital Strategy Delivering Business Value** 



**Best Organization** 

in L&D Practices in the Pharma Sector award by Indian Society of Training & Development May 2024



**Global Customer** Value Leadership Award 2024



**Business World Leadership** Awards 2023



27 employees received **Green Chemistry award 2025** 

"Advancing Gender Equality in the Workplace" featured in the 8th Gender Equality Summit 2025

Ranked as Top 5 Supply Chain **Champions** (Mid-Size Companies) by Institute of Supply Chain Management (ISCM) in Sep 2024

**International Safety Award** from the British Safety Council under Merit Category

**Top 5 Supply Champions 2024** (Mid-size companies) by ISCM

























Sustainability Report 2024-25 | 27 Aragen Life Sciences

# **Membership and Associations**

Aragen's commitment to excellence, sustainability, and customer satisfaction is deeply embedded in its operational culture and external engagements. Through strong customer relationships, digital innovation, robust quality systems, and regulatory compliance, Aragen reflects the standards upheld by globally recognized industry associations and memberships.



**Science Based Targets** Initiative (SBTi)



**Pharmaceutical Supply Chain Initiative (PSCI)** 



**United Nations Global** Compact (UNGC)



**GRI South Asia Charter on Sustainability Imperatives** 



**United Nations Sustainable Development Goals (SDGs)** 



**Carbon Disclosure Project** 



# **Corporate Governance**

Corporate governance at Aragen serves as the guiding framework for ethical decision-making and operational efficiency. Our governance framework is designed to ensure full compliance with all applicable industry laws, regulations, and standards.

Through well-defined structures and policies, we foster accountability, transparency, and ethical decision-making at every level of the organization. Our approach is guided by core values of integrity, fairness, and honesty, supported by robust systems for risk oversight, compliance, and open communication. These principles form the foundation of our commitment to responsible and sustainable business practices.

## **Board Committees for Effective** Governance

To ensure focused oversight and timely resolution of key matters, the Board of Aragen has established five specialized committees, each with clearly defined roles and responsibilities. These committees support the Board in discharging its duties more efficiently and effectively across various areas of governance. Members of each committee are appointed by the Board, with due consent from the respective directors.

The key committees of the Board include:



**Audit Committee** 



**Nomination and Remuneration** Committee



**Stakeholders Relationship Committee** 



**ESG and CSR Committee** 



**Risk Management Committee** 

### **Board of Directors**

Corporate governance is guided by our values and directly monitored by the Aragen Board of Directors along with the senior executive leadership. We have an accomplished Board of Directors who demand the highest level of governance. The Board is entrusted with the responsibility of ensuring compliance with all relevant financial, operational, and labor laws. They play a critical role in promoting transparent decision-making and effective oversight of management. We maintain full transparency regarding the board's composition, structure, and independence, upholding the highest standards of corporate accountability and governance.

#### **Role of the Board of Directors:**

- 1. Strategic Oversight and Direction: The Board is responsible for setting the overall direction of the organization, including approving the company's purpose, values, and mission statements. ESG and sustainability considerations are integrated into strategic decision-making to ensure longterm value creation for stakeholders.
- Policy Approval and Governance Framework: The Board reviews and approves key policies related to ESG, including climate action, corporate social responsibility, ethics, gender diversity and inclusion, health and safety, and environmental stewardship.
- 3. Monitoring and Accountability: The Board regularly monitors the implementation of ESG strategies and the progress toward sustainability goals. This includes reviewing reports and performance metrics, ensuring accountability across all levels of the organization.
- 4. Risk Management: ESG-related risks, including those related to climate change, regulatory compliance, and stakeholder expectations, are evaluated and managed at the Board level as part of the enterprise risk management framework.

The Board of Directors at Aragen serves as the highest governing body, consisting of eight members, including non-executive non-independent and independent directors. The Board meets at least four times on quarterly basis to review significant developments impacting the company, to discuss strategic decisions, and to act on matters requiring Board approval.























Aragen Life Sciences

#### **Executive and Non-Executive Directors**



Mr. D S Brar

Non-Executive Non-Independent Director, Chairman







Mr. Keshav Gunupati **Venkat Reddy** 

Non-Executive Non-**Independent Director** 



Mr. Ajay Srivastava

Non-Executive Non-**Independent Director** 





**Dr. Robert R Ruffolo** 

Non-Executive Independent Director





**Dr. Amit Varma** 

Non-Executive Non-**Independent Director** 



Mr. Rajat Sood

Non-Executive Non-

**Independent Director** 

Ms. Anita Ramachandran

Non-Executive **Independent Director** 

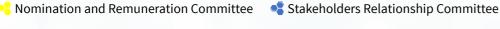


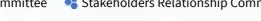
Mr. Manmahesh Kantipudi

**Executive Non-Independent Director** 

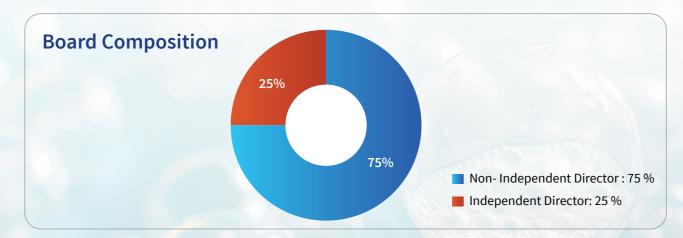


Audit Committee





<sup>\*\*</sup>Amit Varma was appointed recently in Jan 2025.



# Skills, Expertise, and Competencies of the Board

The Board of Directors at Aragen comprises highly qualified professionals who collectively bring a diverse blend of skills, expertise, and experience necessary to provide strategic oversight and effective governance. Board members are carefully selected through a structured process led by the Nomination and Remuneration Committee (NRC) and recommended for approval by the Board. The evaluation criteria include integrity, professional qualifications, relevant experience, and the ability to contribute meaningfully to the company's growth. Emphasis is also placed on ensuring diversity and confirming the availability of adequate time commitment. Where necessary, external agencies may be engaged to support the selection process.

Recognizing the critical importance of sustainability and ESG performance, the Board has implemented several measures to enhance its collective knowledge, skills, and experience in these areas:

#### 1. Ongoing Education and Training

» ESG and Sustainability Workshops: Periodic workshops and training sessions are organized for Board members to deepen their understanding of emerging sustainability trends, global sustainability standards, climate-related risks, and evolving stakeholder expectations.

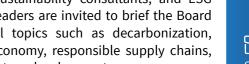
» External Expert Engagements: Industry experts, sustainability consultants, and ESG thought leaders are invited to brief the Board on critical topics such as decarbonization, circular economy, responsible supply chains, and regulatory developments.

#### 2. Committee-Led Deep Dives

» ESG Committee Engagements: The ESG & CSR Committee plays a key role in facilitating focused discussions on sustainability strategy, goals, performance, and risks. Committee members often lead deep dives into specific environmental or social issues to build domainspecific expertise.

#### 3. Participation in Industry Forums:

Platforms: Board members are encouraged to participate in industry associations, ESG councils, and sustainability forums, enabling them to remain updated on best practices and regulatory trends.



» Audit and Risk Committee Oversight: The Audit and Risk Committees are kept informed of ESG-linked risk exposures and sustainabilitylinked disclosures, building competence in integrated risk and sustainability reporting.



Board Representation in Sustainability

























#### **Structured Selection Process**

The selection process involves a comprehensive evaluation of individuals based on their integrity, qualifications, expertise, and experience relevant to the role. Emphasis is placed on identifying candidates from diverse backgrounds, with due regard to the principles of diversity and the time commitments required for effective discharge of responsibilities. Where appropriate, external agencies may be engaged to support the search and evaluation process. The Nomination and Remuneration Committee (NRC) leads the selection and recommends suitable candidates to the Board for approval. This commitment to continuous learning and a structured selection process ensures that the Board is well-equipped to oversee and guide Aragen's sustainability and ESG initiatives effectively.

# Oversight of sustainability issues by the Board

Sustainability is a strategic priority at Aragen, and the Board of Directors plays an active role in overseeing

our ESG agenda. The Board, through its dedicated ESG and CSR committee, is responsible for guiding and monitoring the company's sustainability initiatives, ensuring that they are effectively integrated into the overall business strategy. The committee regularly reviews ESG risks and opportunities, tracks progress against key sustainability goals and ensures compliance with global standards and frameworks. This oversight reinforces Aragen's dedication to embedding sustainability into core decisionmaking and driving long-term value creation for all stakeholders.

# **Certifications and Regulatory Accreditations**

To support our governance framework, Aragen maintains globally recognized certifications that ensure operational excellence, legal compliance, and sustainable practices.

Certification	Manufacturing Unit I, Nacharam	Manufacturing Unit II, Vizag	Nacharam Labs	Mallapur Labs	Bengaluru Labs
ISO 9001:2015	•	•	N/A	N/A	N/A
ISO 14001:2015	<b>Ø</b>	<ul><li>✓</li></ul>	<b>⊘</b>	●	•
ISO 27001:2022	<b>⊘</b>	⊘	✓	<ul><li>✓</li></ul>	•
ISO 45001:2018	<ul><li>✓</li></ul>	✓	<b>⊘</b>		<b>Ø</b>
ISO 50001:2018	<ul><li>✓</li></ul>		<b>②</b>	<b>②</b>	<b>Ø</b>
NABL 17025	N/A	N/A	N/A	<b>②</b>	N/A
WHO GMP	<ul><li>✓</li></ul>	<ul><li>✓</li></ul>	N/A		N/A
FDA	<ul><li>✓</li></ul>	⊗	N/A	<b>②</b>	N/A
PMDA	<ul><li>✓</li></ul>	<ul><li>✓</li></ul>	N/A	N/A	N/A
EDQM	<ul><li>✓</li></ul>	⊗	N/A	N/A	N/A
WHO Geneva	<ul><li>✓</li></ul>	8	N/A	N/A	N/A
AAALAC	N/A	N/A	<b>②</b>	N/A	<b>Ø</b>

Note. Our subsidiary, INTOX Pvt Limited, Pune is accredited with AAALAC certification, CDSCO, DSIR, CPCSEA and NGCMA. Our US wholly owned subsidiary, Aragen Biosciences LLC, at California and Aragen Biologics Private Limited (ABPL) at Bengaluru are accredited with ISO 9001:2015 certification.

N/A: Not applicable

# RISK MANAGEMENT

# **Integration of Sustainability in Risk Management**

Aragen recognizes that long-term business success depends on proactively managing risks and leveraging opportunities arising from environmental, social, and governance (ESG) factors. Our integrated approach to risk management ensures that sustainability considerations are not siloed but embedded across strategic, operational, and compliance-related decisions. This alignment reinforces business resilience, stakeholder confidence, and long-term value creation.

# **Embedding ESG into Risk** Management

In response to a dynamic and rapidly evolving risk landscape, Aragen has strengthened its risk management framework to explicitly incorporate ESG-related risks. Climate change, resource scarcity, changing regulatory frameworks, supply chain vulnerabilities, and evolving stakeholder expectations are among the emerging sustainability risks that we monitor and address. These considerations are embedded at the enterprise level and cascade into business unit risk registers and mitigation plans.

We align our risk management practices with globally accepted frameworks ensuring a structured, consistent, and forward-looking approach to identifying and addressing sustainability-linked

# **Sustainability Risk Identification** and Prioritization

As part of our quarterly risk review process, we assess ESG-related risks alongside traditional business risks. These include:

- **Environmental Risks:** Regulatory changes related to emissions, energy use, and water consumption; physical risks due to climate variability; and transition risks in shifting toward low-carbon operations.
- Social Risks: Talent acquisition and retention, employee wellbeing, community engagement, and ethical supply chain practices.
- Governance Risks: Data privacy and cybersecurity, business ethics, regulatory compliance, and board-level ESG oversight.

Risks are evaluated based on their likelihood and potential impact on business continuity, reputation, financial performance, and stakeholder trust.

To foster long-term resilience and sustainable value creation, Aragen has adopted a structured three-year risk management maturity roadmap. This framework is designed to progressively embed a strong risk culture across the organization, ensuring that risk considerations are integrated into strategic planning, performance evaluation, and operational decisionmaking.





























By systematically building capabilities across these pillars over a three-year timeline, Aragen aims to enhance risk transparency, promoteanal implementation to continuous improvement, positioning Aragen to effectively navigate both traditional and ESG-related risks.

Pillar	Year 1: Establish	Year 2: Enhance	Year 3: Institutionalize
Governance & Culture	Establish Enterprise Risk Management (ERM) structure and governance framework	Review and enhance the ERM framework	Strengthen risk culture and embed ERM into organizational routines
Strategy & Objective Setting	Deploy ERM in strategic planning and budgeting	Develop BU/ Department-level models based on risk appetite and tolerance	Continuously evaluate strategic options, integrating ERM into all planning processes
ဂူဂိုဂို စုံ© Performance	Identify KRIs for key risks; develop risk management plans and mitigation strategies	Refresh risks; identify new and emerging risks and BU-level responses	Embed risk management into BU operations; assess the interplay of risks and opportunities
Revision	Monitor key risks and risk management plans with quarterly reviews	Strengthen review processes across BUs; explore alternate risk responses	Institutionalize continuous improvement through consistent review mechanisms
Information, Communication & Reporting	Prioritize and report risks (impact/ probability); present plans to the Board	Periodically report risks and BU-level views; evaluate risk management tools	Enable real-time communication and foster continuous improvement in risk reporting

# **Risk Review Framework**

Stakeholder	Role & Responsibility				
Board of Directors	Oversees overall risk management	Provides stra direction on mitigation	•	-priority	Ensures sustainability of operations
Management Committee	Reviews and approves Ensures high- CFO acts as key updates to the ERM impact risks Risk Officer framework annually are managed coordinating ERM				icer
Executive Committee	Executes the Conducts quarterly Provides guidance ERM framework reviews of risks, including and support to across Aragen ESG-related risks risk owners				support to
رگی برگیک Risk Owners	Designated in each department	Identify and assess risks	Propose mitigation plans	and	ement actions report to the utive Committee













Sustainability Strategy



















Sustainability Report 2024-25 | 35

# **Key Risks and Opportunities Identified**

Aragen identifies key risks and opportunities by analyzing critical operations, industry trends, and peer insights. Each risk is evaluated based on its severity and likelihood, which guides our action plan and prioritization. Our framework focuses on minimizing risks and maximizing opportunities to create value for stakeholders. Risks are classified into two categories: Key Risks (immediate relevance that require ongoing mitigation) and Emerging Risks (potential risks for the next 2-5 years, requiring proactive planning).

# **Key Risks**

**Supply Chain Risks** 

Risk	Description	Potential Impact	Mitigation and Opportunities
Climate Change	Physical (floods, droughts) and transition (carbon tax, regulations) risks.	Disrupted operations, supply chains, asset loss, increased costs across geographies.	Renewable energy (solar), decarbonization energy efficiency, low-carbon tech, bio briquette/CNG/PNG, asset climate-proofing.
Financial Risks	OPEX/CAPEX increase, delayed payments.	Hinders planning/ investment, affects R&D and causes cash flow uncertainty.	Peer benchmarking, operational efficiency, M&A strategy, sensitivity analysis, risk pricing, cost controls.
	Supplier disruption and poor governance.	Raw material shortage, production	Supplier audits, reliability checks,

reputational/legal

damage.

advance procurement,

project-based vendor

development.

Mitigation and Risk Description Potential Impact Increased cyber threats Trial/manufacturing ISO 27001 systems, SOPs, due to IT dependence. disruption, stress testing, employee communication training, IP and data breakdown, protection. **Data Security** monetary/legal loss. Digital transformation Data loss, delays, Scientific board oversight, university failures or disruptions. increased cost, operational partnerships, licensing, disruptions. AI/ML adoption. **Technology Risk** Currency volatility, Profitability and Risk pricing, internal inflation, recession. pricing affected, financial controls, peer payment disruptions. benchmarking, countryspecific planning. **Market Risk** 



Failing quality or regulatory compliance. License suspension, trial delays, shipment penalties, revenue loss. Strong QMS, compliance checks throughout development and supply stages.































# **Emerging Risks**

#### Mitigation and Risk **Potential Impact** Description Opportunities Failure to meet May result in • Track requirements evolving regulations reputational damage, via external tools penalties, or litigation. (e.g., climate change, Monitor regulatory taxation) Regulatory changes changes could add compliance **Legal and Regulatory** Strengthen internal complexity. Non-Compliance controls Proactive industry engagement Market pressures, • Focus on niche May reduce revenue loss of exclusivity, and margins due to technologies aggressive pricing by price pressure and Value chain customer shift to integration competitors. **Increasing** Strategic acquisitions Competition • Engage large pharma clients High public scrutiny Could damage Regular stakeholder and unmet ESG reputation, affect engagement expectations partnerships, and · Strong project impact employee management engagement and Stakeholder Annual supplier investor confidence. Dissatisfaction meetings Transparency initiatives Regional conflicts, May disrupt supply Strengthen local unrest, trade chains, increase costs, presence restrictions and affect business Diversify markets continuity in global Onshoring/nearmarkets. **Geopolitical Risks** shoring Operational efficiency investments

# **Climate-Related Financial Risks and Mitigation Strategy**

We at Aragen understand that climate change brings physical and regulatory risks that could impact financial performance. Extreme weather events and shifting climate patterns may disrupt our infrastructure and supply chains, while evolving regulations around carbon emissions could increase operational costs.

To address these challenges, we are actively evaluating the financial impact of climate-related risks, including potential increases in capital and energy costs. In response, our Sustainability team is working closely with internal stakeholders to develop robust mitigation strategies. We are also exploring alignment with the Task Force on Climate related Financial Disclosures (TCFD) to strengthen our risk management framework and enhance transparency. As part of this effort, we are investing in a climate risk financial disclosure system, targeted for pilot roll out by FY28. These proactive steps reflect our commitment to building long-term resilience and supporting sustainable decision-making across the organization.































Annexure

# **Stakeholder Engagement and Materiality Assessment**

Effective stakeholder engagement is crucial for understanding evolving expectations, prioritizing ESG topics, and fostering meaningful dialogue. Our approach is grounded in the principles of transparency, engagement, proactivity, and inclusivity, which together help us build lasting relationships with key stakeholders across our ecosystem.

We prioritize stakeholders based on their influence on our operations and the potential impact of our business on them. To ensure relevance and responsiveness, we regularly assess stakeholder perceptions through formal and informal engagement channels. This allows us to align our goals with stakeholder expectations while identifying both risks and opportunities for mutual value creation.

# **Stakeholder Mapping**

We engage with a diverse group of stakeholders through a structured, multi-channel process. The frequency and nature of engagement are tailored to each group's level of influence and concern. The following table outlines our stakeholder groups, modes of engagement, frequency, and key concerns:

Stakeholder Group	Mode of Engagement	Engagement Frequency	Key Topics and Concerns
Customers	Feedback surveys, forms, and business growth discussions	Yearly	Competitive pricing, product quality, and timely supply
Investors	MIS sharing, investor meetings	Monthly	Profitability, business growth, corporate governance and ethical practices
Suppliers	Supplier surveys, SRM meetings, grievance redressal, feedback forms	Weekly/Quarterly/ Yearly	Cost, supply timelines, timely payment and business ethics
Employees (Permanent)	Employee perception surveys, town hall meeting, Buzz with CEO, coffee with BU Head, skip level meeting, intranet updates	Yearly	Ethics, Human Rights & labor practices, growth opportunities, safety, wellness and productivity
Employees (Contractual)	Contractor/safety meetings, newsletters, grievance redressal meeting	Quarterly	Business ethics, workplace safety, and productivity
External Service Providers	Meetings, audit/gap assessment reports	As and when required	Business ethics and timely payments
Regulators	Inspections, meetings, website communications	As and when required	Statutory and regulatory compliance
Community	Social/public meetings, website outreach	As and when required	Environmental pollution, brand image, and societal impact
NGOs	Social/public meetings, website, goodwill initiatives	As and when required	Environmental pollution and climate impact
Media	Physical/mail communications, brand support	As and when required	Environmental impact, corporate governance, ethics, and socio-economic impact on the community

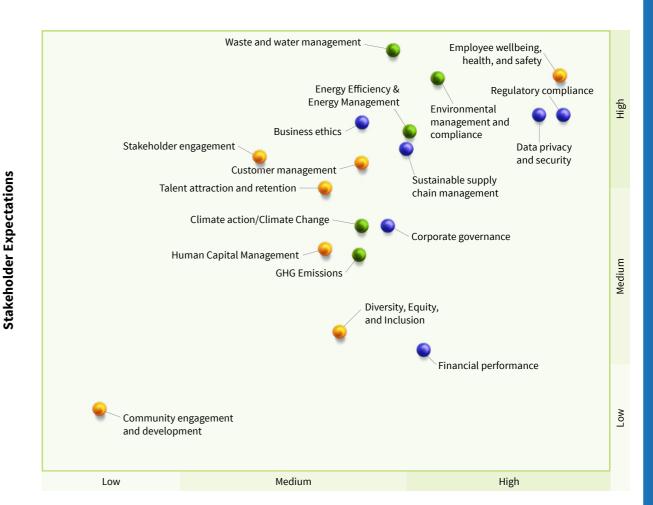
# **Materiality Assessment**

Aragen conducts an annual review of its materiality assessment to ensure alignment with evolving business priorities and stakeholder expectations. In FY25, we revisited and assessed the material topics through consultations with key stakeholders and leadership, maintaining the same eighteen material topics identified in the previous years. This ongoing review process ensures that our sustainability goals continue to address the most pertinent issues and reflect the dynamic landscape of our operations and stakeholder concerns.



#### **Our Materiality Matrix**

Aragen's materiality matrix reflects the sustainability topics most relevant to our stakeholders and business. Based on ongoing stakeholder engagement and internal analysis, we continue to identify and prioritize key ESG areas. These focus areas guide our sustainability strategy and ensure alignment with stakeholder expectations and long-term business goals.



**Business Priorities** 















Workforce









│ Aragen Life Sciences Sustainability Report 2024-25 │ 41

# **List of Material Issues**

Waste and Water Management

resources.

Environme	nt		
Material Topic	Description	Priority Level	Boundary
Climate Action / Climate Change	Efforts to reduce emissions, build resilience to climate impacts, and support climate goals.	Medium	Internal & External
Energy Efficiency and Management	Optimal use of energy to reduce consumption while maintaining performance.	Medium	Internal
Environmental Management and Compliance	Adherence to environmental laws, standards, and structured environmental systems.	High	Internal
GHG Emissions	Greenhouse gases contributing to global warming and climate change.	Medium	Internal & External
Waste and Water Management	Responsible usage, recycling, and disposal of waste and water	Medium	Internal

Social			
Material Topic	Description	Priority Level	Boundary
Community Engagement and Development	Investments and initiatives addressing social challenges and delivering impact.	Low	External
Customer Management	Ensuring customer health, safety, satisfaction, and relationship-building.	Medium	External
Diversity, Equity, and Inclusion	Promoting fair representation and inclusive practices in the workplace.	Medium	Internal
Employee Wellbeing, Health & Safety	Ensuring holistic wellbeing and workplace safety for employees.	High	Internal
Human Capital Management	Strategic development and satisfaction of workforce.	Medium	Internal
Stakeholder Engagement	Active dialogue to understand and address stakeholder concerns.	Medium	Internal & External
Talent Attraction and Retention	Recruiting and retaining skilled talent for long-term business success.	Medium	Internal

/		
/	$\wedge$	
(	ਜਜਜ਼ 📗	
\	ДДД 🜆	
/		
•		

# Governance

Material Topic	Description	Priority Level	Boundary
Sustainable Supply Chain Management	Managing ESG impacts across the full supply chain.	Medium	External
Business Ethics	Upholding anti-corruption, fair competition, and ethical conduct.	Medium	Internal
Corporate Governance	Effective systems for responsible and transparent corporate oversight.	Medium	Internal
Data Privacy and Security	Protecting sensitive stakeholder and organizational data.	High	Internal
Financial Performance	Financial health and long-term value creation.	Medium	Internal
Regulatory Compliance	Adherence to laws and regulations across operational areas.	High	Internal & External





Risk Management



Sustainability Strategy



Planet











# **OUR SUSTAINABILITY STRATEGY**

# Four pillars of Aragen's sustainability journey

Environmental, Health, Safety, and Sustainability (EHS&S) excellence forms the foundation of Aragen's operational philosophy. We believe that strong EHS&S practices not only protect our people and the planet but also drive innovation and long-term success. Our sustainability journey is anchored on four core pillars:

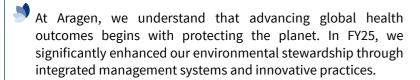








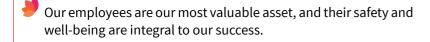
# **Healthy Planet**



- All our facilities operate under an integrated management system certified with ISO 14001:2015, ISO 45001:2018, and ISO 50001:2018 ensuring a systematic and unified approach to sustainability, safety, and energy performance.
- Our sustainability efforts are guided by well-defined policy frameworks on Environment, Health and Safety (EHS), Sustainability, Energy, and Biodiversity. These policies form the foundation of our initiatives focused on reducing emissions, conserving energy and water, minimizing waste, and protecting biodiversity across our operations.
- These efforts support a greener, more sustainable future that extends across our entire value chain.



# **Healthy Workforce**



- Our Occupational Health and Safety Management System is certified with ISO 45001:2018, ensuring a safe work environment across all operations.
- Employees received an average of 25.97 hours of training each, during the year.
- · We continue to build a culture rooted in compassion, humility, equity, and ethics, striving to create a workplace where every individual feels supported, engaged, and valued.

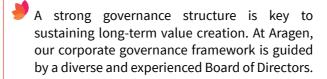


# **Healthy Communities**

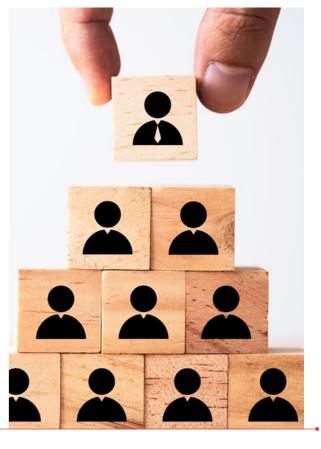
Supporting communities where we live, and work is a central tenet of Aragen's philosophy. Our CSR initiatives focus on education, environment, and healthcare, with impactful programs tailored to local needs. Our efforts have raised community awareness on environmental protection, with a strong governance framework ensuring sustainable and measurable outcomes.



# **Healthy Organization**



- We maintain the highest standards of ethics, transparency, and accountability, ensuring that governance principles are embedded across all aspects of our business.
- Board-level committees provide independent oversight and strategic direction, enhancing our governance practices and promoting sustainable development.
- Our unwavering commitment to integrity strengthens stakeholder trust and supports responsible growth.



Together, these four pillars define our sustainability strategy and reflects our dedication to building a safer, healthier, and more sustainable future for all.





















Aragen Life Sciences

# **Sustainability Commitments and Actions**

Our approach to sustainability at Aragen is rooted in science, inspired by purpose, and in harmony with global sustainability goals. We are taking conscious steps to transform our environmental and social footprint guided by clear targets, verified standards, and a deep commitment to responsible progress.



### Our Path to 2050: ESG Commitment

### Milestone

**Zero Landfill** Operations

Target Year 2025

"We are building landfill future by 2025 because waste ends with responsibility."

Commitment

#### **Why It Matters**

Responsible waste management reduces environmental impact and supports a circular economy.



Status - Achieved

Target Year 2026

#### Commitment

"Diversity drives innovation. We are committed to reaching 25% gender representation by 2026."

#### **Why It Matters**

Diverse teams enhance creativity, equity, and inclusiveness in the workplace.



Status - In Progress 🔆

Target Year 2032



Gender

Diversity

**Reduction in** Scope 1, 2 & 3 **Emissions** 

#### **Commitment**

"A 50.4% cut in absolute emissions by 2032 is more than a goal it's a validated, sciencebacked mandate."

#### Why It Matters

A science-based approach to emissions helps mitigate climate change and builds resilience in operations.



Status - SBTi-Validated, Near-Term Roadmap Set -In Progress 💥

### Milestone

Target Year 2035

**Water Neutrality Across Operations** 

#### Commitment

"Every drop counts. Water neutrality by 2035 will redefine sustainability in science."

#### **Why It Matters**

Water is a critical resource. Neutrality ensures balance between withdrawal and replenishment, especially in water-stressed regions.



Status - In Progress 🔆

Target Year 2050



**Net-Zero Emissions** 

#### Commitment

90% Reduction

#### **Why It Matters**

Climate change is the greatest challenge of our era. Achieving net-zero ensures long-term environmental and economic sustainability for all.



**Net Zero** 

by 2050

2050

Status - SBTi validated, Long-Term Roadmap Set .

Zero Landfill Organization

2026

diversity 25%

Gender

by 2026

by 2025

2025

50.4% reduction in Scope 1,2&3 by 2032 (ABS)

2035

2032

 Achieved gender diversity 21.7% and 22.3% in



FY24 & FY25 respectively

#### Water Neutral by 2035

- · Reusing autoclave condensate, RO rejects and AHU condensate for gardening
- Recycled 30,508 KL STP treated water for gardening
- Recycled 10,645 KL steam condensate as boiler feed



Aragen Life Sciences Sustainability Report 2024-25 | 47

















(\$5)

Planet













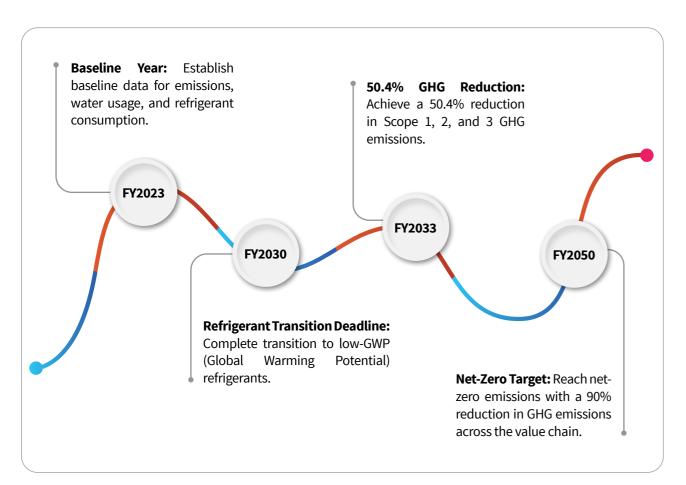
# Science Based Targets Initiative (SBTi): Approved Climate Commitment

Aragen is proud to share that our near-term and net-zero greenhouse gas emissions reduction targets have been officially validated by the Science Based Targets initiative (SBTi).



Target Type	Target Details
Near-Term	50.4% reduction in absolute Scope 1 & 2 GHG emissions (from FY2023)
(by FY2033)	50.4% reduction in absolute Scope 3 GHG emissions
Long-Term (by FY2050)	90% reduction in absolute Scope 1, 2 & 3 GHG emissions from FY2023
Net-Zero	Net-zero across the value chain by FY2050

<sup>\*</sup>Target boundary includes land-related emissions and removals from bioenergy feedstocks.



# **Future Initiatives to Meet SBTi Targets**

**Boiler Fuel Switch:** Transition from furnace oil to PNG (Piped Natural Gas) at Manufacturing Unit II to reduce carbon emissions.



**P** 

- (§)-

H B

Renewable Energy Mix: Increase the share of renewable energy from 25% to 35% through Power Purchase Agreements (PPAs).

**Energy Audits:** Conduct comprehensive energy audits and implement the recommendations to enhance energy efficiency across facilities.

High-Efficiency Motors: Procure high-efficiency motors (IE3 at 93.6% efficiency and IE4 at 96% efficiency) for operational improvements.

Refrigerant Replacement: Phase out refrigerants R-404A and R-22, replacing them with more eco-friendly alternatives like R-32 and R-290 by 2030.

#### **Travel Guidelines:**

- Implement "Greener Logistics Standards" to prioritize sea transport over air travel wherever possible.
- Create incentives for employees to choose zeroor low-carbon footprint options for commuting.

**Promotion of Electric Vehicles (EVs):** Encourage the use of Electric Vehicles (EVs) in logistics to reduce emissions from transportation.



Partner with DHL to use Sustainable Aviation Fuel for inbound shipments, helping reduce Scope 3 emissions. Aragen is the first SBTi targetapproved company in India to adopt this initiative.

#### Supplier Assessment & Training:

Integrate ESG criteria into the supplier onboarding process and evaluate existing supply partners using a supplier scorecard. Conduct climate-related training and engagement initiatives.







Management

















| Aragen Life Sciences | Sustainability Report 2024-25 | 49

# **PLANET:** NURTURING THE ENVIRONMENT

# **Key Topics**

**Energy Efficiency and Management** Green House Gas (GHG) Emissions Water Stewardship Waste Management and Resource Efficiency Biodiversity Sustainable Facility Design

The call for climate and sustainability action is intensifying globally, prompting a re-evaluation of policies, practices, and outcomes across industries. At Aragen, we recognize that environmental responsibility is a powerful enabler of innovation, efficiency, and long-term value creation.

As a leading Contract Research, Development, and Manufacturing Organization (CRDMO), we view environmental stewardship as a fundamental responsibility, one that goes beyond regulatory compliance and aligns closely with our purpose. Guided by our commitment to innovation, responsibility, collaboration, and positive impact, we have embedded sustainability into the core of our operations. Our ongoing efforts are focused on reducing environmental impact while creating lasting, sustainable value for all our stakeholders. All our facilities operate under an integrated Environmental Management System (EMS) ensuring systematic control and continuous improvement of our environmental performance.

### **SDGs mapping**











# **Energy Efficiency and Management**

Energy efficiency at Aragen plays a vital role in advancing both our environmental commitments and operational excellence. It plays a vital role in enhancing profitability, driving responsible operations, and delivering sustainable value to stakeholders across our value chain.

We are committed to integrating energy efficiency and conservation into our core business strategy. This commitment is formalized through a comprehensive energy policy that guides the implementation of energy-saving measures across our operations, equipment, and infrastructure. The policy also prioritizes the adoption of renewable energy and green technologies to help reduce our greenhouse gas (GHG) emissions. For more details refer to: *Policies* - Aragen Life Sciences

Our energy management approach is governed by clearly defined performance targets, supported by an ISO 50001:2018 certified Energy Management System (EMS). These targets help us track improvements, optimize energy use, and identify areas for further efficiency.

Each year, we implement multiple energy conservation initiatives that contribute to measurable reductions in energy consumption and emissions reinforcing our commitment to sustainable growth.

# **Energy Efficiency Strategies**



Variance analysis





**Energy efficient** technologies

(3) A

**Enhancing renewable** energy usage

(3)

**Root cause analysis** 

# Energy consumption by fuel type

Name of the fuel used	Units	FY25	FY24	FY23	FY22	FY21
Fuel consumption from non-re	enewable res	ources				
Coal	GJ	201	4,979	22,171	72,119	64,126
Diesel	GJ	10,363	7,249	11,094	8,513	7,382
Gasoline (Petrol)	GJ	103	77	-	-	-
Furnace oil	GJ	15,376	12,775	15,454	22,030	22,025
Natural Gas	GJ	3,725	1,490	5,087	3,768	3,768
Total	GJ	29,768	26,570	53,806	1,06,430	97,301
Fuel consumption from renewable resources						
Bio briquette	GJ	54,558	45,195	39,888	0	0































Aragen has made significant strides in enhancing its sustainability efforts by transitioning to cleaner energy sources. The company has replaced coal with bio-briquettes in its boiler, leading to a remarkable 96% reduction in coal consumption in FY25. Concurrently, Aragen has increased its use of biomass energy by over 20% during the same period. This shift aligns with global efforts to mitigate climate change and achieve sustainable development goals.

Additionally, Aragen has adopted natural gas (PNG) as a cleaner alternative to diesel in its boiler operations. This transition has resulted in a substantial increase in natural gas consumption from last year, reflecting a significant move towards more sustainable and lower-emission energy sources.

# **Electricity Purchased (GJ)**

Type of energy consumption	FY25	FY24	FY23	FY22	FY21
Purchased non-renewable power	2,08,624	1,75,520	1,68,433	1,28,625	1,21,932
Purchased renewable power	23,795	24,346	24,471	31,490	7,183
Total power	2,32,419	1,99,866	1,92,904	1,60,115	1,29,115

Purchased non-renewable power has increased steadily, showing a significant rise of 71.1% over the five years. Purchased renewable power saw a dramatic increase of 231.2% from FY21 to FY25, reflecting a strong shift towards renewable energy sources, despite a slight dip in FY23-FY25. Overall, total electricity purchased rose by nearly 80%, indicating growing energy needs or expansion of operations.

# **Energy Consumption within the organization (GJ)**

Total energy	3,16,745	2,71,631	2,86,598	2,66,545	2,26,416
Total non-renewable energy	2,38,392	2,02,090	2,22,239	2,35,055	2,19,233
Total renewable energy	78,353	69,541	64,359	31,490	7,183
Sources of energy	FY25	FY24	FY23	FY22	FY21

Renewable energy consumption experienced a remarkable increase of nearly 10 times over the five-year period, showing strong commitment to sustainable energy use. Non-renewable energy consumption fluctuated, initially increasing and then decreasing in FY23 and FY24, before rising again in FY25, with an overall modest increase of 8.7%. The total energy consumption within the organization rose by about 40% from FY21, driven largely by the increase in renewable energy usage.

# Renewable energy in total energy (%)



We are committed to sustainable energy practices, integrating renewable sources like solar power and biomass briquettes into our operations. The company has implemented energy-efficient technologies and entered into power purchase agreements (PPAs) with renewable energy providers to reduce its carbon footprint and promote sustainable practices.

Our commitment to renewable energy has seen significant progress, with renewable energy consumption increasing to 24.7% in FY25. This reflects our growing efforts to transition towards more sustainable energy sources and reduce our environmental impact.

Aragen's US facility is powered entirely by electricity generated from renewable energy sources, marking a significant milestone in our journey towards sustainability.







Management



Strategy



Planet















# **Energy conservation and transition initiatives**

Aragen undertook several energy-saving initiatives during FY25, resulting in tangible reductions in energy consumption and improved operational efficiency. Key measures included:

# **Equipment and Process Optimization**

- Variable Frequency Drives (VFDs):
   Installed VFDs across key equipment to regulate motor speed and reduce power usage during partial load conditions.
- Energy-efficient Motors: Replaced conventional motors with high-efficiency alternatives to lower energy demand.
- Automation for Power Saving: Implemented automation systems to optimize power usage across utilities and production processes.
- Other Power Optimization Measures:
   Adopted advanced control systems and operational improvements to further reduce electricity consumption.

# Fuel and Thermal Energy Efficiency

 Replaced coal with bio briquette and diesel with PNG for boiler fuel at manufacturing unit I and Bengaluru labs respectively.

# **Renewable Energy Integration**

Solar Power Installation:
 Commissioned a 25 kWp rooftop solar power plant to offset grid electricity usage with clean, renewable energy.

# Additional Energy Saving Measures

- Introduced multiple low-cost and no-cost initiatives such as optimizing lighting schedules, reducing idle equipment time, and fine-tuning HVAC systems.
- Conducted energy audits to identify further opportunities for conservation and continuous improvement.

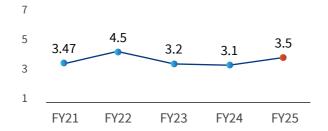
# Investment in Energy-Efficient Equipment

 Adoption of Bureau of Energy Efficiency (BEE) 5-star rated appliances, ensuring that our energy consumption is as efficient as possible.

# **Electrical Energy Intensity**

The electrical energy intensity fluctuated from 3.47 GWh/Bn in FY 21 to a peak of 4.5 GWh/Bn in FY 22, before decreasing to 3.2 GWh/Bn in FY23, then slightly to 3.1 GWh/Bn in FY24, and stabilizing back at 3.50 GWh/Bn in FY25. The details are as follows:

#### Electrical energy intensity in Gwh/Bn INR



# **Greenhouse Gas (GHG) Emissions**

Climate change is a pressing global challenge, and at Aragen, we are committed to doing our part in limiting our carbon footprint. Our greenhouse gas (GHG) emissions primarily arise from combustion-based sources such as diesel generators, coal-fired boilers, furnace oil, and high-speed diesel (HSD) usage.

Since FY18, we have been systematically monitoring our GHG emissions across Scope 1 (direct emissions) and Scope 2 (indirect emissions). This tracking forms the basis of our emissions reduction strategy, enabling us to implement targeted interventions and operational improvements aimed at curbing our environmental impact.

# **GHG Emissions Inventory**

Scope Categories	FY25	FY24	FY23
Scope 1	7,636	5,972	9,574
Scope 2	42,130	34,544	37,600
Scope 3	47,682.54	40,817	55,072
Total Emissions (in MTCO2e)	97,448.54	81,333	1,02,246

The reduction in Scope 1 emissions from FY23 to FY24 suggests successful implementation of energy efficiency measures and a shift towards cleaner energy sources. However, the increase in Scope 1 emissions in FY25 indicates a need for continued efforts to maintain and accelerate reductions. The fluctuations in Scope 2 emissions highlight the importance of consistent renewable energy procurement and energy efficiency initiatives to achieve long-term emission reduction goals.

To achieve the SBTi ambitious targets, Aragen plans to continue its focus on energy efficiency, renewable energy adoption, and sustainable practices across its operations. The company is committed to integrating sustainability into its business strategy and operations, ensuring that its growth is aligned with environmental responsibility and climate action.

# **Scope 3 Categories Emissions**

Emission Scope Categories	FY25	Percentage
C1: Purchased Goods and Services	21,922.30	45.98%
C2: Capital Goods	3,944.15	8.27%
C3: Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2)	12,973.68	27.21%
C4: Upstream Transportation and Distribution	1,643.32	3.45%
C5: Waste Generated in Operations	124.05	0.26%
C6: Business Travel	863.12	1.81%
C7: Employee Commute	2,619.58	5.49%
C8: Upstream Leased Assets	7.68	0.02%
C9: Downstream Transportation and Distribution	1,008.78	2.12%
C10: Processing of sold products	1,406.91	2.95%
C12: End of Life Treatment of Packaging	1,168.98	2.45%
Total Scope 3	47,682.54	100%

























#### GHG emission intensity (MTCO2e/Bn INR)



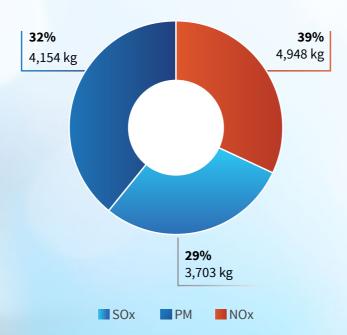
■ Scope 1 MTCO2e/Bn IN ■ Scope 2 MTCO2e/Bn INR

Scope 1 emissions have steadily decreased over the years, particularly from FY23, reflecting more sustainable practices and a focus on reducing direct emissions. Scope 2 emissions showed an overall decreasing trend until FY23. The increase in Scope 2 GHG emissions is attributed to higher consumption of electricity generated from non-renewable sources electricity resulting from the commissioning of three new facility/buildings—MLR4, MLR5, and BLR3.

#### **Air Emissions**

We are committed to minimizing our air emissions through vigilant monitoring and control systems installed across key emission sources, including process stacks, boilers, and DG sets. Emissions are routinely tracked and reported in line with regulatory norms and internal environmental performance goals.

In FY25, we continued to manage our air emissions responsibly, focusing on reducing key pollutants such as Particulate Matter (PM), Sulphur Oxides (SO<sub>x</sub>), and Nitrogen Oxides (NO<sub>x</sub>) across all operating units.



We continue to increase use of cleaner fuels, process optimization, and emission control technologies to reduce our air pollutant footprint and comply with applicable regulatory standards. We did not identify any instances of non-compliance with environmental laws or regulations during the reporting period.

# **Water Stewardship**

Sustainable water management is integral to Aragen's overall sustainability strategy. Recognizing water as a shared and finite resource, especially in regions facing increasing water stress, Aragen adopts a comprehensive, collaborative approach to manage and mitigate water-related impacts across its operations and value chain.

# **Water Management Within Operations**

#### **Water Efficiency:**

Aragen continuously invests in water-efficient technologies and process optimization to reduce freshwater consumption. We track and report water use intensity at each site and set targets to drive improvements year-over-year.

#### Water Use Intensity (Thousand m3/Bn INR)



#### Recycling & Reuse:

Several of our facilities, particularly in water-stressed regions like Hyderabad and Bengaluru, recycle treated STP water for gardening, rejects from water treatment plant for cooling tower make-up, RO permeate from ZLD (at manufacturing unit I & Bengaluru facility) reused as boiler make up. We have implemented water recycling and reuse techniques to maximize water recycling and minimize discharge.

#### **Rainwater Harvesting:**

Aragen has established rainwater harvesting structures at key campuses, enhancing groundwater recharge and contributing to local water table replenishment. Based on site topography and local needs, we set targets for rainwater collection volume and the number of recharge wells, supporting local aquifer replenishment.

In FY25, we assessed our water sourcing practices to ensure that we are effectively managing this vital resource where 95% of the water is withdrawn from third party. The following table outlines the breakdown of water withdrawal by source, which includes groundwater, surface water, and third-party water withdrawal.

#### **Water Withdrawl by Source**

	Vater withdrawal by source	FY 25 (KL)
G	Groundwater	8,350
S	Surface water	1,920
S	hird-Party Water (Municipal water upply/Industrial Development Area)	2,05,701
Т	otal	2,15,971

In water-stressed regions, responsible water usage becomes even more crucial. The table below presents our water withdrawal data for areas experiencing water scarcity, where a greater emphasis on external water sources is required. It highlights the extent of reliance on third-party water and the efforts we are making to minimize our impact in these areas.









Strategy















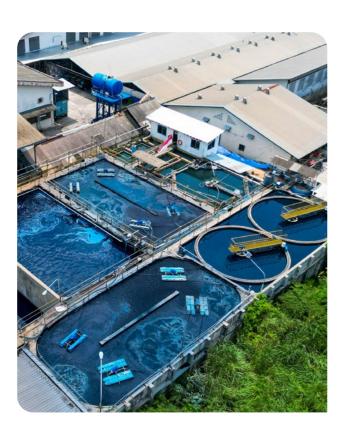
56 | Aragen Life Sciences

Water withdrawal by source in areas with water stress	FY 25 (KL)
Groundwater	8,350
Water Sourced from Third-party	1,69,724
Surface water	1,920
Total	1,79,994

Water discharge by destination	FY25 (KL)
Discharge to Third-party (CETP)	68,572

Water Consumption	FY25 (KL)
Total water consumption from all areas	1,47,398
Total water consumption from all areas with water stress	1,24,986

32% of the withdrawn water is safely discharged to CETP and 29% of the withdrawn water being returned to the system in water-stressed areas by in-house treatment. This reflects our commitment to responsible water management, ensuring that treated wastewater is appropriately managed and returned to the environment through treatment facilities or surface water bodies.



Wastewater	FY25 (KL)
Wastewater Treated On-site	62,234
Total Water Recycled & Reused	86,516
Total	1,48,750

In FY25, our facility treated 62,234 KL of water through the Effluent Treatment Plant (ETP) and recycled 86,516 KL, including stored and externally treated sources. Recycled water is utilized for gardening, boiler feed, cooling tower makeup, scrubber makeup, and toilet flushing. To further reduce water consumption, we are upgrading our infrastructure by implementing closed-loop systems in cooling towers and boilers, installing high-efficiency equipment and fixtures, conducting regular water audits, and integrating rainwater harvesting systems. These measures aim to optimize water usage and minimize waste.

# Zero Liquid Discharge (ZLD) Systems

Our manufacturing unit I in Nacharam and the Bommasandra facility in Bengaluru are equipped with advanced Zero Liquid Discharge (ZLD) systems. These facilities are designed to eliminate liquid waste discharge by treating and recycling wastewater within the plant. Treated water, such as RO permeate, is reused for boiler feed and cooling tower makeup, significantly enhancing water efficiency and reducing environmental impact.



Process water consumption 19.08% reduction in water intensity in FY25 compared to baseline year FY21

#### Water Use Across the Value Chain

Aragen is committed to responsible water management across its value chain, from raw material sourcing to customer delivery. Below is a snapshot of how we manage water use in our operations:



Upstream: Suppliers and Raw Materials

Key Focus Area	Action
Water-Intensive Inputs	Certain raw materials like solvents and reagents require significant water in production
Supplier Engagement	<ul> <li>Work with suppliers in water-stressed regions</li> <li>Encourage ISO 14001 adoption</li> <li>Promote low-water synthesis methods</li> </ul>
Procurement Due Diligence	Sustainability assessments for key suppliers, especially those in high-risk geographies, include water criteria



Core Operations: R&D and Manufacturing

Key Focus Area	Action
Process Development	<ul><li>Use water for reaction quenching, solvent recovery, and cooling</li><li>Apply green chemistry to reduce water use and improve yields</li></ul>
Manufacturing Operations	Use utility water for cooling and process water for cleaning and emissions control
Manufacturing Operations	Facilities use Zero Liquid Discharge (ZLD) and advanced treatment technologies to maximize water reuse
Environmental Controls	<ul> <li>Recycle treated wastewater for non-potable uses (gardening, utilities)</li> <li>Real-time monitoring systems track water use and recycling</li> </ul>



#### **Downstream:** Customers and End Products

Key Focus Area	Action		
Custom Research & Manufacturing Services (CRAMS)	<ul> <li>Water footprint considered in customers' lifecycle assessments.</li> <li>Provide data to support customers' sustainability reporting and process design for low-water intensity.</li> </ul>		
Limited End-Use Impact	<ul> <li>Products are further processed by customers.</li> <li>Offer process optimization support to reduce water use at the customer end.</li> </ul>		



























│ Aragen Life Sciences Sustainability Report 2024-25 │ 59

# **Catchments with Significant Water Impacts**

Aragen operates in several locations across India and the United States. Based on facility presence, water withdrawal volumes, local water stress levels, and potential impact on shared water resources, the following specific catchments are identified where Aragen may cause or contribute to significant water-related impacts:

	( <u>\$\partial</u> )		
Location	Catchment	Risk Level	Key Mitigation Actions
Hyderabad, Telangana	Musi Sub-basin, Krishna River Basin	High	<ul><li> ZLD systems</li><li> Rainwater harvesting</li><li> Treated water reuse</li></ul>
Visakhapatnam, Andhra Pradesh	Nagavali sub-basin, Indian North East Coast River basin	Medium-High	<ul> <li>Reuse of steam condensate</li> <li>Recycle of RO rejects to cooling towers</li> </ul>
Bengaluru, Karnataka	Ponnaivar sub-basin, India East Coast River Basin	Severe	<ul> <li>Enhance steam condensate recovery</li> <li>Recycle of WTP backwash water</li> </ul>
Pune, Maharashtra	Krishna basin (Ghod, Nira, Bhima, Man)	High	Water conservation measures
California, USA	San Joaquin or Los Angeles Basin	Drought/ Regulatory	<ul><li>Compliance with local laws</li><li>Water conservation measures</li></ul>

#### **Water Reuse and Conservation Initiatives**

Aragen has implemented several targeted water-saving projects across multiple sites to reduce its freshwater footprint. These initiatives focus on recycling treated wastewater and process water for non-potable uses such as gardening, flushing, and boiler feed key actions in line with our commitment to sustainable water management. Our water reuse projects details are as below:

	<b>Q</b>	F	
Project Name	Location	Project Area	Water Saved (FY25)
Reuse of treated STP water for gardening	Nacharam	Warehouse / Facility Landscaping	467 KL
Reuse of autoclave/AHU condensate & WTP rejects for gardening	Nacharam	Process / Landscaping	7,541 KL
Reuse of ATFD steam condensate for boiler make-up	Bengaluru	Utility / Process Area	4.5 KL
Reuse of WTP rejects for flushing toilets	Bengaluru	Utility / Sanitation Infrastructure	2,449 KL
Reuse of steam condensate as boiler feed	Vishakapatnam	Process Utility	1,598 KL

Total water saved in FY 2025 12,060 KL



# **Waste Management and Resource Efficiency**

Aragen integrates circular economy principles across its operations to reduce waste and enhance resource efficiency. Guided by our sustainability policy, we

A recent review confirmed no significant actual or potential waste-related impacts across our operations. Efficient upstream sourcing and downstream process design help minimize waste generation. We maintain stringent oversight of third-party waste handlers through EHS-based selfassessments, risk reviews, and site audits ensuring full compliance with environmental standards and reinforcing accountability throughout our value chain.

#### Key Waste Streams Managed by Aragen

Waste Type	Description	Potential Impact	Management Strategy
Hazardous Chemical Waste	By-products from synthesis, solvents, and reagents from labs and plants	Soil, air, or water contamination if mishandled	Segregation, labeled storage, authorized disposal, recovery
Biological (Biohazard) Waste	Waste from biologics R&D, cell cultures, and microbiology labs	Health risks, lab contamination, biosecurity threats	Autoclaving, incineration, regulatory compliance
Solid & Packaging Waste	Single-use plastics, chemical packaging, general waste	Landfill burden, loss of resource efficiency	Source segregation, recycling, packaging reduction initiatives
Electronic Waste (E-Waste)	Obsolete lab equipment, computers, and devices	Leaching of heavy metals, informal sector risks	Disposal via authorized e-waste recyclers, digital asset tracking
Wastewater Discharges	Effluent from R&D, manufacturing, and cleaning processes	Water pollution, community and regulatory concerns	ZLD systems, effluent pre-treatment, monitoring, compliance
Construction & Demolition Waste	Debris from site development and renovations	Illegal dumping, carbon footprint from disposal	Vendor management, reuse of materials, controlled disposal









Strategy















focus on process design that supports reuse, recycling, and responsible consumption. Key initiatives include elimination of single-use plastics, strict waste segregation at source, and regular employee training. Green chemistry practices further enable to maximize atom economy leading to reaction efficiency and improvement in the yield.

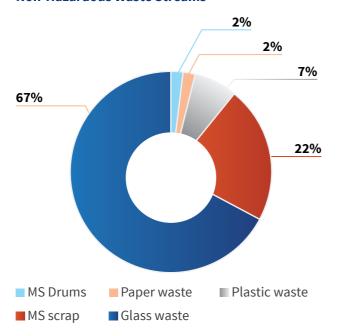
#### **Hazardous Waste Intensity (MT/Bn INR)**



The hazardous waste intensity at Aragen, measured in metric tonnes per billion INR, has shown fluctuations over the five-year period from FY21 to FY25. Overall, from FY21 to FY25, the hazardous waste intensity decreased by 3.5%, reflecting gradual improvement in waste management relative to financial performance despite some year-to-year variations.

Waste Generation	Quantity (MT)
Hazardous Waste Generation	4,652.6
Non-Hazardous Waste Generation	1,761.7

#### **Non-Hazardous Waste Streams**



In FY25, a total of 6,414.3 MT of waste, comprising 72.5% of hazardous waste and 27.5% of non-hazardous waste. To mitigate environmental impact, Aragen has implemented several initiatives, including the recycling of hazardous waste and the environmentally friendly disposal.

Aragen generated a range of hazardous waste streams, including, spent solvents, spent acids, spent sulphuric acid, spent catalysts (platinum, palladium carbon), ETP sludge, solvent residues, off-spec products, biomedical waste, asbestos, waste oil, spent carbon, evaporation salts, distillation bottom residue, Non hazardous waste streams include glass bottles, used PPE, MS.SS.GI scrap. These wastes are handled through authorized disposal partners, with a focus on safe storage, recycling wherever feasible, and strict regulatory compliance to minimize environmental risk.

# **Hazardous Waste Disposal**

All waste handling and disposal activities are carried out in compliance with CPCB and SPCB guidelines, following approved environmental protocols and ensuring safe storage, transport, and treatment through authorized vendors. Aragen prioritizes safe and sustainable waste management to minimize environmental impact and uphold regulatory obligations.

Disposal Method	Quantity (MT)	%	
Recovery	3,160.3	67.9%	
Co-processing	743.35	16%	
Reuse	668.3	14.4%	
Incineration	65.36	1.4%	
Landfill	8.7	0.2%	
Recycle	6.6	0.1%	
Total	4,652.6	100%	

Majority of hazardous waste was managed through environmentally responsible recovery methods, indicating strong sustainability practice.

### **Preventive Measures**

Aragen has implemented comprehensive measures to manage the environmental impact of its operations, with a strong focus on waste and effluent handling. Strict hazardous waste handling protocols are followed in compliance with local and international regulations. Effluent pretreatment facilities are operational at Nacharam labs, Mallapur labs, and manufacturing unit II (Vizag), while Zero Liquid Discharge (ZLD) systems are in place at manufacturing unit I (Hyderabad) and R&D labs in Bengaluru. At INTOX, Pune, effluents undergo both primary and secondary treatment. The company also runs structured programs for the segregation and recycling of solid, e-waste, and packaging materials. Regular training and audits ensure adherence to best practices, and all waste is managed in collaboration with authorized handlers and recyclers to ensure safe and compliant disposal.

# Effective Resource Data Management

Standard Operating Procedures (SOPs) have been established for managing hazardous and non-hazardous waste. Waste is monitored and managed through a structured system of EHS reviews, corporate safety evaluations, and board-level oversight. Key Performance Indicators (KPIs) are used to assess progress, enabling data-driven decisions and continuous improvement in resource efficiency.





Our Business





Sustainability Strategy





Workforce













# **Biodiversity**

Aragen is dedicated to fostering biodiversity and maintaining environmental harmony throughout its operations. Our biodiversity strategy aligns with the Convention on Biological Diversity (CBD), 1992 and is designed to assess and mitigate biodiversity-related risks associated with current and future activities. Through biodiversity roadmaps, impact assessments, and mitigation measures, we ensure our operations are environmentally responsible, particularly in sensitive or critical habitats. Regular awareness flyers are shared with employees via e-mail to build awareness and strengthen capacity for biodiversity protection.

Integrating Industry with Nature: Aragen's Biodiversity Commitment in Practice

### Site 1:



#### 🎒 Manufacturing Unit – Nacharam, Telangana

Located just 7 km from the ecologically significant Kasu Brahmananda Reddy National Park (IUCN Category II), our 16acre Nacharam site exemplifies responsible industrial development. Through rigorous adherence to environmental standards, we ensure minimal impact on local biodiversity.

Habitat Restoration: 1.8 acres of land restored with the plantation of 541 trees, establishing a vibrant green habitat that actively supports regional ecological resilience.

#### Site 2:



#### 🎒 Manufacturing Unit - Visakhapatnam, **Andhra Pradesh**

Located 7.5 km from Kambalakonda Wildlife Sanctuary (IUCN Category IV), our 10.3acre Vizag site demonstrates how industry and ecology can coexist. With strict waste management protocols effluents treated at CETP Pharma city and hazardous waste handled by certified agencies, we ensure minimal environmental impact.

Habitat Restoration: We have restored 3.5 acres with 1,818 native trees, creating a thriving habitat that strengthens local biodiversity.

### Site 3:



#### 🏓 Mallapur Labs – Telangana

Situated 7 km from Mahavir Harina Vanasthali National Park (IUCN Category II), our 16.6acre Mallapur Labs site integrates advanced research with environmental responsibility. With wastewater treated at CETP MANA and hazardous waste managed by certified agencies, we ensure minimal biodiversity impact.

Habitat Restoration: We have rejuvenated 3.9 acres with 2,352 native trees, reinforcing our commitment to ecological preservation.



#### 🄰 Bengaluru Labs – Karnataka

Spanning 8 acres and dedicated to R&D, this site is 20 km from Bannerghatta National Park (IUCN Category II). The park remains unaffected by our operations, reflecting our commitment to biodiversity-friendly practices.

#### Site 5:



#### INTOX - Pune, Maharashtra

**Protection of Threatened Species** 

biodiversity to thrive undisturbed.

Spanning 5 acres, our Intox facility specializes in GLP safety assessments and operates over 20 km from the Koyna Wildlife Sanctuary (IUCN Category IV). With a minimal environmental footprint, the site reflects our commitment to low-impact operations that respect and preserve nearby ecosystems.

#### Site 6:



Across all operational sites, Aragen ensures the preservation of critical habitats. No species listed on the IUCN

Red List or national conservation registers have been recorded within or around our operational boundaries.

Our planning and sustainable practices are designed to avoid disruption to these ecosystems, enabling local

**BIODIVERSITY** 

#### 🎒 California – Morgan Hill, USA

Our 3.5-acre research and development facility in Morgan Hill is located just 5 km from Coyote Ridge Open Space (IUCN Category V). By preserving the region's cultural landscapes and biodiversity, the site reflects our global commitment to sustainable operations and environmental stewardship.

Sustainability Report 2024-25 | 65



Our

Business

Management













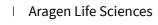






### Site 4:





# **Sustainable Facility Design**

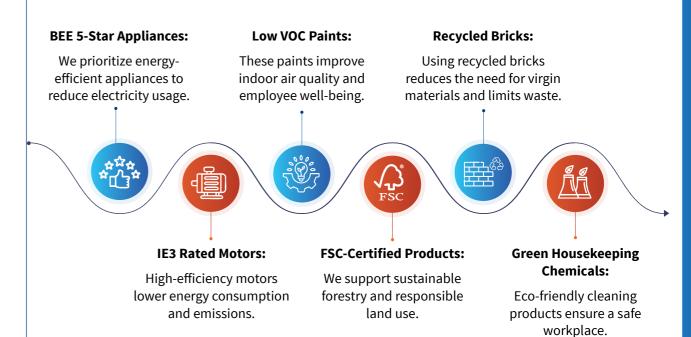
At Aragen, sustainability drives the design, construction, and operation of our facilities. We integrate eco-conscious principles at every stage, aligning our infrastructure development with global best practices to enhance energy efficiency and minimize environmental impact. All future buildings are being developed to meet IGBC (Indian Green Building Council) or USGBC (U.S. Green Building Council) standards.

Energy efficiency is a key focus across our sites. Motion sensors in common areas, LED lighting throughout, and solar-powered streetlights all contribute to reduced energy consumption. These efforts help improve operational efficiency and lower carbon emissions, supporting our commitment to sustainability.



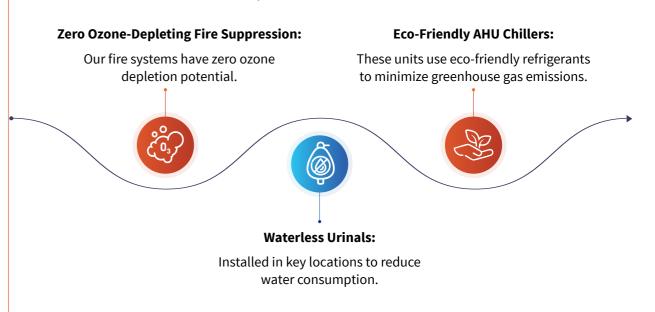
## **Smart Procurement for a Sustainable Future**

Sustainable procurement is central to our ESG strategy. Aragen selects materials and equipment that are energy-efficient, eco-friendly, and responsibly sourced.



# **Innovative Environmental Controls and Resource Management**

To further reduce our environmental impact, we have introduced several innovative measures:



























# **WORKFORCE:** OUR PEOPLE, OUR STRENGTH

# **Key Topics**

**Employee Wellbeing and Management** 

Diversity and Inclusion

**Training and Education** 

**Employee Engagement** 

Workplace Health and Safety

#### **SDGs mapping**









Aragen's greatest strength lies in its people. We are committed to building an inclusive, respectful, and empowering workplace where wellbeing and equal opportunity are fundamental.

In FY25, we strengthened our focus on human rights,

Our five-year ESG strategy emphasizes safety culture transformation through leadership led programs, behaviour-based tools, and culture assessments embedding safety as a shared value across all levels

# **Employee Wellbeing and Management**

Our people form the cornerstone of our innovation, growth, and operational excellence. We are deeply committed to fostering a workplace culture that upholds dignity, equity, inclusion, and continuous development. Our workforce strategy prioritizes meaningful engagement, health and safety, talent development, and wellbeing, ensuring alignment with our long term ESG goals.

## Our People at a Glance

**Our Workforce** 

**Total Strength** 

Contract staff

**Permanent Employees** 

4,558

98%

2%



Strong pool of scientific talent

679

Manufacturing

162 Quality

3,209 R&D



**Talented and experienced** 

>10 % PhDs and

workforce have been with Aragen for 5+ years

#### **Total Employees by Gender in FY25**

Employee Category	Male	Female	Total
Top Management – Executive committee members	18	2	20
Senior Management – band G & L	146	18	164
Middle Management – band M	671	117	788
Junior Management – band P	2,628	855	3,483
Total Permanent Employees	3,463	992	4,455
Contract staff	66	37	103
Total	3,529	1,029	4,558



workforce

4,000+ Scientists

**74%** MScs

22%

33.7

Average age of workforce



Our

Business

Management

Strategy

(\$5)

Planet

Workforce













ethical labor, safety, and diversity aligning with International Labour Organization (ILO) conventions and the Universal Declaration of Human Rights. Our zero-tolerance approach to discrimination, backed by DEI policies, ensures fairness and tracks gender diversity while supporting work life balance.

of the organization.



#### **Total Employees by Age Group in FY25**

Employee Category	Age < 30	Age 30-50	Age >50	Total
Top Management – Executive committee members	0	3	17	20
Senior Management – band G & L	0	116	48	164
Middle Management – band M	7	754	27	788
Junior Management – band P	1,774	1,682	27	3,483
Total Permanent Employees	1,781	2,555	119	4,455
Contract staff	71	27	5	103

#### **Total Employees by Region in FY25**

India	4,379
International*	76
Total	4,455

<sup>\*</sup>International includes employees with 60 from Aragen Biosciences, California (US) and 16 from other global sales offices

## **Employee Hiring**

We are committed to building a diverse, inclusive and high performing team for our sustainable growth and long-term success. Guided by the principles of equality, respect, and transparency, our recruitment practices ensure that every candidate is given a fair and unbiased opportunity. We actively seek exceptional talent from varied backgrounds, experiences, and skillsets to drive innovation, enhance diversity, and harness the power of collective intelligence.

#### **Total New Hires in FY25**

Employee	Age	< 30	Age 3	30-50	Age	>50	Total	Hiring
Category	Male	Female	Male	Female	Male	Female	New Hires	Rate
Top Management – Executive committee members	0	0	1	0	3	0	4	20%
Senior Management – band G & L	0	0	25	4	6	0	35	21%
Middle Management – band M	3	3	99	17	2	1	125	16%
Junior Management – band P	736	337	291	63	0	1	1,428	41%
Total	739	340	416	84	11	2	1,592	36%

## **Employee Turnover**

At Aragen, our employees are integral to our success, and we remain committed to fostering a work environment that supports strong retention and long-term engagement. We recognize that employee turnover can disrupt team cohesion and lead to substantial recruitment and training costs, ultimately impacting our long-term sustainability goals. Over the years, we have strategically cultivated a culture that nurtures talent, promotes job satisfaction, and creates an environment where employees can thrive.

We follow a structured minimum notice period policy for significant operational changes, providing 30 days' notice for employees on probation (0-6 months) and 90 days' notice for confirmed employees (tenure >6 months). Additionally, the minimum notice period, along with provisions for consultation and negotiation, is specified in standing orders, indicating formal alignment with collective bargaining practices.

We actively provide resources and guidance to help employees understand and exercise these rights, fostering a transparent, collaborative, and fair workplace.

Sustainability R

#### **Total employee turnover in FY25**

5 1 6 1	Age	< 30	Age 3	30-50	Age	>50	Total	Turnover
Employee Category	Male	Female	Male	Female	Male	Female	Turnover	rate
Top Management – Executive committee members	0	0	0	0	5	0	5	25%
Senior Management – band G & L	0	0	13	2	10	2	27	16%
Middle Management – band M	7	1	98	15	3	2	126	16%
Junior Management – band P	427	203	280	81	2	1	994	29%
Total	434	204	391	98	20	5	1,152	26%

#### **Voluntary Employee Turnover by Region in FY25**

Region	Number	Turnover Rate
India-based Employees	890	21%
International Employees	8	11.5%
Total	898	20.8%













Strategy





Workforce

















## **Employee Wellbeing**

During FY25, we continued to provide a comprehensive range of standard benefits exclusively to its full-time employees across key operational locations. These benefits included a group personnel accident policy, stock ownership options, retirement provisions, life insurance, health care coverage, disability benefits, and parental leave.

This structured approach to employee welfare reflects our ongoing commitment to supporting the wellbeing, financial security, and long-term engagement of our core workforce, while aligning with both employee expectations and regulatory requirements.



## Fostering a culture of employee well-being

Our unwavering commitment to employee wellness stems from a leadership philosophy that prioritizes people and workplace happiness. With the core belief of cultivating a "Happy and Healthy Workplace," our leadership has consistently supported progressive policies and programs to enhance employee welfare across physical, emotional, social, and financial dimensions. This year, our employee wellness strategy was further deepened with a suite of new initiatives that are pioneering within the CRDMO industry. From annual health check-ups to financial assistance programs like Refyne, and from wellness talks to flexible work shifts, we have holistically approached wellbeing to ensure our employees feel cared for, supported, and empowered.



## **Physical Wellness:**

#### **Prioritizing Preventive and Holistic Care**

Health is a cornerstone of employee wellness at Aragen. Our Annual Health check-up initiative reached 2,714 employees across four locations, followed by targeted consultations with in-house doctors, gynaecologists, and nutritionists for those at higher health risk. Additional activities like regular

blood donation camps, health tips, and wellness talks provide continuous support. Our yoga and zumba club, launched this year, has quickly become a favourite among employees looking for daily physical activity, mental clarity, and stress relief.

#### **Social Wellness:**

#### **Building Belongingness and Community**

We recognize that social connection is vital for wellbeing and productivity. Under the PRISM cultural umbrella, we hosted vibrant events like Upbeat for new year and Sanskriti for Diwali, celebrating not only festivities but also our commitment to sustainability, highlighted through our partnership with Junior Chamber International for promoting eco-friendly crackers. Initiatives such as birthday celebrations, the Toastmasters Club, and the english podium foster inclusion, belonging, and personal growth. Employees also actively participated in sports events like the Aragen Badminton Championship (ABC) and the Aragen Cricket Trophy (ACT), reinforcing our belief in teamwork, camaraderie, and physical health.

#### **Emotional Wellness:**

#### **Supporting Work-Life Integration**

Emotional and mental well-being are supported through infrastructure and initiatives tailored to life stages and responsibilities. The crèche facility empowers working parents, particularly mothers, by offering safe childcare onsite. The Parenting Wellness Program, launched in partnership with Mentoria, provides career discovery support for employees' children between ages 13-21. It includes assessments, counselling, webinars, and access to 12,000+ career paths. Employees shared heartfelt testimonials appreciating Aragen's 50% co-pay support and the long-term vision of this initiative.

#### **Financial Wellness:**

#### **Empowering Financial Security and Independence**

Financial well-being is addressed through innovative and inclusive programs. The Refyne initiative is a firstof-its-kind earned wage access (EWA) model in the CRDMO industry. Since launch, over ₹1 crore has been accessed by 822 registered employees, at 0% interest and with full transparency. This ensures employees can meet short-term financial needs without relying on high-interest loans. Testimonials speak volumes about its effectiveness, convenience, and the relief it offers employees.

## Refyne:

#### **Empowering Financial Wellness**

Refyne, a pioneering financial wellness platform aimed at enhancing the financial resilience and wellbeing of our employees. Refyne offers on demand access to earned wages, allowing employees to withdraw a portion of their salary before payday, with zero interest and no hidden fees. This solution supports both short-term liquidity and longterm financial stability, reducing reliance on high interest loans or credit.

The platform has seen strong adoption since its launch.

#### In FY 25:

- 822 employees have registered
- 346 transactions have been completed

#### Total withdrawals stand at INR 1.03 crore, including:

- Earned Wage Access (EWA): INR 13.72
- Short-Term Utilization (STU): INR 89.94 lakh

Through Refyne, Aragen empowers employees with greater control over their finances, helping them navigate unexpected expenses with confidence and peace of mind. This initiative reflects our commitment to a supportive, inclusive, and financially secure workplace, where employees feel both valued and cared for, beyond their professional roles.

























72 | Aragen Life Sciences

## Flexibility and Work-Life Balance: Responding to Employee Voices

In a sector where night shifts are the norm, Aragen chose an alternative path by implementing staggered shift timings instead of traditional two-shift models. Employees were offered G1 and G2 shift options, enabling nearly 20% to return home earlier. The changes were made with input from employees and ensured through additional transport support and cafeteria decongestion. This has significantly improved work-life balance and reduced commute fatigue, with employees affirming the benefits through testimonials about enhanced productivity and personal development opportunities.

Another standout financial initiative is the My Two-Wheeler Program, now in its third year. Aimed at P-band employees, the program helps staff purchase a brand-new two-wheeler at zero down payment and reduced EMI, including a free rider's safety kit. It supports both mobility and work-life balance, especially for employees who travel long distances. To date, nearly 470 + employees have received vehicles, a number that continues to grow annually, reflecting the program's popularity and impact.



# Motivations and Values Behind Wellness Programs

The breadth of our wellness initiatives underscores Aragen's values: nurturing a workplace where employees can thrive in all facets of life, socially connected, physically healthy, emotionally supported, and financially secure. Leadership's constant engagement with employee feedback ensures our offerings are not just inclusive but also responsive. Whether through education subsidies, subsidized transport and food, or personal development

platforms, our holistic wellness strategy reflects our belief that employee wellbeing is not a program, it's a way of life at Aragen.

By fostering an ecosystem that addresses the full spectrum of employee needs, Aragen is not just creating a great place to work, but also cultivating a community where people feel seen, valued, and equipped to succeed both professionally and personally.



## **Diversity and Inclusion**

For us at Aragen, diversity is a way of thinking and being, not just a goal to measure. It influences how we lead, how we work, and how we grow. We are committed to building a workplace where every individual feels valued, respected, and empowered, irrespective of gender, background, identity, or life circumstance. We believe that inclusion fosters innovation, fuels collaboration, and drives sustainable growth. It is not only integral to our values but also essential to our global vision.

## **Advancing Gender Diversity**

As of FY25, we had 4,455 employees, of which 992 are women, making up 22.3% of our workforce. In line with our aspiration to build a more balanced workforce, we are working toward a target of 25% gender diversity by 2026, with structured initiatives to support female talent at every level.

Gender diversity at Aragen has improved steadily over the years, increasing from 17% in FY21 to 22.3% in FY25. This positive trend reflects our ongoing commitment to fostering an inclusive workplace and promoting equal opportunities across all levels of the organization.

## Gender diversity(%)



#### **Gender and Age Diversity across Employee Levels**

As part of our ongoing commitment to inclusion, we are actively implementing initiatives to increase gender diversity at every level of management. These efforts aim to enhance representation, strengthen employee engagement and retention, and foster a more supportive, equitable, and empowering workplace for all.



















Workforce











Employee Category	Male (%)	Female (%)
Top Management – executive committee members	0.5	0.2
Senior Management – band G & L	4.2	1.8
Middle Management – band M	19.4	11.8
Junior Management – band P	75.9	86.2
Total	100	100

#### **Representation of Women in Leadership Roles**

As of FY25, women represent 12.5% of our Board of Directors, with 1 out of 8 members in a leadership role. We remain committed to strengthening female representation in leadership.

#### **Compensation Ratio of Basic Salary** (Female to Male)

We are actively addressing the gender pay gap through regular reviews of our compensation structures and implementation of equitable pay practices. These initiatives reflect our strong commitment to building a fair and inclusive workplace where all employees are valued and rewarded equitably. The unadjusted gender pay gap is calculated as the difference between the average salaries of men and women, expressed as a percentage of the average salary of men across our operations in India.

#### **Category wise Compensation ratio**

Category	2025	2024	2023	2022
Junior Management	0.78	0.78	0.78	0.74
Middle Management	0.83	0.83	0.86	0.86
Senior Management	0.72	0.81	0.73	0.68

#### **Annual Total Compensation Ratio: FY25**

Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest- paid individual)	1:52.6
Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	1:0.77

## **Key Initiatives Supporting Women** at Aragen

At Aragen, we are dedicated to fostering an inclusive and empowering environment for women through initiatives like EvolWE, AWE (Aragen Women Empowered), and Celebrating Motherhood, each tailored to support women across different life and career stages. Our Women in Science, Technology, Engineering, and Mathematics (STEM) Leadership Program has mentored over 100 early-career scientists, actively laying the foundation for longterm gender diversity in scientific leadership.



#### **EvolWE (Evolving Women Executives)**

A flagship leadership program designed to equip women managers with the skills, confidence, and network needed to succeed in senior roles.

Total 24 women employees are benefited from this programme



#### **Accelerating Women Empowerment (AWE)**

A platform focused on learning, mentorship, and career progression, customized to women's professional growth needs.



#### **Celebrating Motherhood**

A comprehensive maternity support program that includes flexible work options, on-site crèche, shuttle services, nurse assistance, and reintegration support post-maternity leave ensuring dignity and continuity for working mothers.

Beyond gender, we are committed to increasing representation across other dimensions of diversity, including age, ethnicity, and physical abilities, fostering an environment where everyone belongs.

## **Ensuring Equal Opportunity**

Aragen is proud to be an equal opportunity employer, where fairness and respect are embedded into every aspect of employment, from hiring and compensation to career development. We maintain zero tolerance for discrimination and harassment, supported by robust policies and enforcement mechanisms.

In FY25, Aragen reported zero incidents of discrimination across its operations. Accordingly, there were no cases requiring investigation, resolution, disciplinary action, or that remained unresolved or under investigation, reflecting the company's commitment to maintaining an inclusive and respectful workplace culture.

## **Policies Upholding Inclusion** and Equity

We are committed to cultivating a diverse and inclusive work environment where every individual feels valued, heard, and empowered. Our approach promotes active participation, equal opportunities, and shared ownership, thereby fostering a strong sense of belonging across the organization. This commitment is embedded in our policies and workplace practices, which are designed to eliminate discrimination and promote fairness and dignity for all.

#### **Key Inclusion and Equality Policies**

#### Non-Discrimination Policy

Aragen is an equal opportunity employer. We ensure that all employment and advancement decisions are based solely on merit, qualifications, and abilities. Discrimination based on race, colour, religion, gender, national origin, age, disability, or any other protected characteristic is strictly prohibited. This policy is applicable across our workforce, including full-time, part-time, skilled, semi-skilled and casual workers.



We respect and celebrate diversity and are committed to providing equal opportunities to all individuals, irrespective of origin, religion, colour, age, race, gender, disability, or sexual orientation. The policy underscores our dedication to a fair and respectful workplace where everyone can thrive.

## Anti-Harassment Policy

Aragen maintains zero tolerance for any form of harassment, including sexual harassment. The policy outlines preventive measures, reporting procedures, and the process for investigating and resolving complaints in a sensitive and confidential manner.

## Policy on Prevention of Sexual Harassment (POSH)

This policy articulates Aragen's stance on preventing, prohibiting, and redressing sexual harassment at the workplace. It applies to all employees and includes detailed provisions for awareness, redressal mechanisms, and support for affected individuals.

## Grievance Redressal Policy

We are committed to addressing employee grievances in a fair, transparent, and timely manner. The policy provides a structured process to voice concerns and ensures that all issues are handled with sensitivity and integrity.

#### Suggestion Box Initiative

To foster participative decision making, we encourage employees to share ideas, feedback, and concerns related to processes, policies, or the work environment. Suggestion boxes are installed in accessible areas, including restrooms across all buildings, to ensure anonymity and ease of contribution.

#### **Inclusivity for contract staff**

At Aragen, part time workers are considered an integral part of our workforce. We recognize and value their contributions equally, and are committed to providing them with a safe, respectful, and inclusive work environment. Key initiatives promoting inclusivity for our part time staff include:

- Inclusion in key committees such as the Works Committee and POSH Committee.
- Equal access to workplace amenities including cafeterias, transportation services, and common areas.
- Participation in organizational events, festivals, and celebrations.

#### **Inclusive Benefits and Supportive Culture**

Inclusion goes beyond policy; it's about cultivating a culture where people can flourish. Our benefits are designed to support employees through every stage of life.





Our Business



Strategy

















76 | Aragen Life Sciences

- Flexible Work Options: Remote work, staggered hours, and part-time roles tailored to personal circumstances.
- Parental Leave: In FY25, 257 employees (181 males, 76 females) availed parental leave. All returned to work, with an impressive 98% return rate post-leave (100% for men, 93% for women).
- Life Transition Support: We acknowledge major life events and offer ongoing support during caregiving, health challenges, or retirement transitions to help employees stay engaged and valued.

#### **Fostering Continuous Learning and Career Growth**

We believe in continuous learning and actively support career advancement through structured programs.

#### **Higher Education Support**

Our Higher Education Policy allows employees to pursue advanced degrees, including PhDs, while continuing their careers at Aragen. We cover tuition costs and provide internal guides during the research phase.

- Over 3,500+ postgraduates and 450+ PhDs are part of our talent pool.
- In FY25, 46 employees enrolled, and 3 PhD candidates received INR 7.5 lakhs in reimbursements, in addition to companysponsored chemical supplies.

#### **Building Strong Communication Skills: InterACT**

Our InterACT suite empowers employees to enhance communication across professional and global contexts.

- Aragen Speaker Club: Conducted with Toastmasters International; currently engaging 26 employees.
- English Podium: A structured LSRW (Listening, Speaking, Reading, Writing) program, 96 employees have participated.
- **Biz Com:** Enhances business writing, presentation, and stakeholder communication.
- Client Interfacing Skills: Instructor-led, activity-based training, benefitting 78 employees.
- **Customized Learning:** Tailored for roles such as strategic sales or customer engagement.
- Market Intelligence Feeds: Weekly updates keeping teams updated with industry trends.

#### Reskilling, Internal Mobility, and Innovation

Aragen encourages cross functional movement and upskilling:

- Employees have transitioned between functions such as HR to Project Management and Discovery R&D to specialized roles.
- A flat organizational structure supports agility and collaborative role evolution.

To promote employee driven innovation, our Idea Management Tool captures, evaluates, and implements suggestions via a structured kaizen/project framework, overseen by the Idea Management Review Committee.

#### **Aligning Aspirations with Organizational Purpose**

We strive to create an environment where employee aspirations align with Aragen's strategic goals. Through regular one-on-one conversations, leadership mentoring, and aspiration mapping, we ensure every individual has a meaningful growth path.

Our Global Job Architecture (GJA) and Y Ladder Career Framework provide clarity on both managerial and scientific advancement, empowering employees to choose and shape their own careers.

#### **Performance Management and Recognition**

Performance at Aragen is nurtured through a biannual PMS cycle, using a 9-Box Talent Grid and supported by training for managers.

- In the past year, 16% of internal talent received promotions.
- 41 employees advanced along the scientific track.
- We also facilitate fast-track promotions, salary corrections for hot skills, and flexible roles for women returning from breaks.

By embedding inclusion into our systems, values, and leadership behaviours, we are evolving into an employer of choice in the pharmaceutical and biotechnology sectors. We continue to benchmark our practices globally and incorporate employee feedback to ensure our efforts remain meaningful, measurable, and future-ready.

We believe that diversity, embraced fully, powers innovation, excellence, and sustainable success for our people, our business, and the communities we

## **Training and Education**

Aragen is committed to nurturing talent, recognizing it as the key driver of innovation, performance, and long-term excellence. Guided by our employee value proposition, "We Invest. We Learn. We Grow.", we foster a culture of continuous learning, driven by our purpose: "In every molecule lies the possibility for better health." Each training session, workshop, and development program is rooted in our commitment to equip our employees to reach their fullest potential while delivering lasting value to global healthcare.

## A Culture of Learning and Growth

This fisal year, Aragen delivered over 1,15,690 training hours to 4,455 employees, averaging 25.97 hours per employee. These efforts spanned both core operational areas, like safety and compliance, as well as strategic development programs focused on leadership, communication, scientific excellence, and cross functional capabilities. Whether it's a scientist in R&D or a new manager stepping into leadership, our training philosophy supports employees across all roles, responsibilities, and aspirations.

# Building Ability: Foundational and Technical Training

Our training framework begins by enhancing ability, equipping employees with the skills they need to perform effectively in their current roles and evolve into their next ones.

## Average hours of training per year per employee

Gender	Number of employees	Total hours of training received	Average hours of training per year per employee
Male	3,463	89,018	25.71
Female	992	26,672	26.89
Total	4.455	1.15.690	25.97

Employee Category	Number of employees	Total hours of training received	Average hours of training per year per employee
Managerial	972	9,293	9.56
Non-managerial	3,483	1,06,397	30.55
Total	4,455	1,15,690	25.97



























## **Fuelling Aspiration:**

#### **Structured Growth Pathways**

We don't just train people, we grow careers. Aragen's learning ecosystem supports aspiration through structured band transition programs, aligned with our internal career architecture. These programs help employees move seamlessly from one role to another while strengthening key competencies:

Program Name	Description	Number of participants
Young Achievers Program	Six-month onboarding and capability-building for management trainees.	147
Aspire	Development platform for professional band employees, focusing on communication, productivity, and role clarity.	162
Empower	Transition program for new managers emphasizing self, team, and task management.	84
Empower Plus	For experienced managers expanding responsibilities, focusing on scientific problem-solving and execution excellence.	30
LEAP	Development track for Directors with activity-based sessions, coaching, and simulation-led learning.	23
LEAP+	Leadership program for Vice Presidents and above, in partnership with AON Hewitt. Includes assessment centers, customized IDPs, and strategic capability building across six leadership pillars.	19



## **Enhancing Agility:**

#### **Excellence and Cross-Functional Training**

We recognize the need for agility, the ability to respond to changing demands and grow into multifaceted roles. Aragen supports this through excellencefocused programs across functional domains:

Excellence Stream	Training Hours
Leadership Excellence	141
Scientific Excellence	28,685
Sales Excellence	6
Manufacturing Excellence	32,623
Professional Excellence	22,144
Foundational Training (Including EHSS)	19,018
Compliance Training	13,073
Total Training Hours	1,15,690

In addition, our internal knowledge-sharing platforms like Scientific Insights (73 published) and Leadership Nuggets (75 published) further enrich the learning environment, ensuring continuous, self-directed learning.



## **Encouraging Internal Mobility** and Innovation

To further nurture employee potential, Aragen enables internal mobility through structured reskilling programs, helping employees transition across roles, such as chemists moving into discovery R&D or HR professionals transitioning into project management.

A digital Idea Management Tool encourages innovation, allowing employees to submit proposals that are reviewed, classified, and implemented through Kaizen or project frameworks, fostering ownership and a culture of continuous improvement.

By aligning our training programs with business goals, individual aspirations, and a future-ready mindset, Aragen continues to build a workforce that is not only skilled and safe but inspired. Our ETHICSbased culture and purpose-driven leadership ensure that our people are not just working jobs, they are building careers with impact.



As part of our ongoing leadership strengthening efforts, Dr. Malavika Ghosh, a homegrown scientist has been appointed to lead PCET Solutions, Dr. Krishna Ethiraj has assumed the role of Head of Discovery Solutions, while Dr. Chandan Shirbhayye, currently Head of SCM, has taken on additional responsibility for Operational Excellence. These transitions reflect our strong commitment to nurturing internal talent for strategic leadership roles. As a result, we have achieved 32% organic leadership growth and are steadily progressing toward our goal of 60% by promoting potential from within.

























## **Employee Engagement**

At Aragen, our commitment to employee engagement is deeply rooted in the belief that people are our greatest asset. We strive to create an environment where every individual is valued, supported, and empowered to grow both personally and professionally.

## **Career Development and Internal** Growth

Career management at Aragen begins at the very start of an employee's journey. From induction, new hires are briefed on internal job mobility and growth pathways. Our Global Job Architecture (GJA) outlines clear competency frameworks through dual career tracks, managerial and scientific (Y-ladders), enabling employees to navigate their professional growth with clarity and purpose.

Performance appraisal discussions are structured to be open, forward-looking conversations that explore employees' career aspirations. We invest in training managers to lead these sessions effectively. Our philosophy of internal growth is evident in the fact that 50% of our talent pool is homegrown. Fasttrack promotions are encouraged, and in the last year alone, 41 individuals advanced along the scientific career track, with aspirations to grow into Chief Scientific Officers.

We also make concerted efforts to support women's careers. Women returning from career breaks are encouraged and accommodated with flexible roles. High-potential women are placed on fast-track development plans to accelerate their leadership iournevs.

Performance and career development reviews are a core part of our approach, providing structured guidance and support to help individuals achieve their professional goals.





## **Recognition and Motivation**

We understand that recognition fuels engagement. Our robust Rewards & Recognition (R&R) programs celebrate both individual and team accomplishments. These include:

Award Type	Description	FY25 Recipients
Outstanding Achiever	Monthly award for extraordinary performance	915
Value Award	Quarterly award aligned with Aragen's core values	9
Green Chemistry Award	Recognizing sustainable practices in scientific work	27
Team Award	For impactful team contributions, awarded biannually	112
WOW Cards	Instant recognition for commendable efforts	37,017
Service Awards	Marking milestones of 5, 10, 15 & 20 years	Ongoing

Further reinforcing engagement, we host "Coffee with BU Head" sessions, quarterly meetings where business heads personally recognize awardees. This creates a strong connect between leadership and high performers.

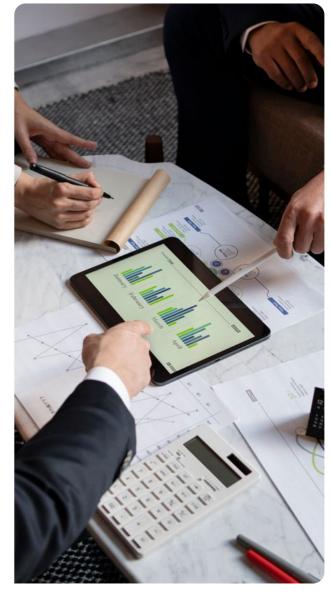
## **Performance Management and** Compensation

Our transparent and developmental performance management system runs biannually and uses the 9-box model to evaluate talent potential and performance. Over 15% of our internal talent is promoted annually to meet evolving business needs.



We offer targeted incentives and rewards such as hot skill salary corrections, project completion bonuses (FFS incentives), and special recognitions during project success meets. Our Variable Pay Program (VPP) ensures that performance is meaningfully linked to pay.

Senior leaders are also rewarded through structured ESOPs, contributing to low attrition levels at Director and above bands. Additional pay-outs include sales incentives, referral bonuses, hardship allowances, and shift differentials.



























## **Agility and Opportunity**

Agility is at the core of our people strategy. We support employees in navigating changes, seizing new opportunities, and adapting to evolving roles. New hires are welcomed through a structured assimilation program, which includes buddy systems and HR check-ins to ensure they feel supported and engaged from day one.

Over 120 employees have leveraged intercity transfers to support personal needs or career ambitions, reflecting our commitment to flexibility and work-life integration. In the last year, 4 employees also moved overseas from India to the US and the Netherlands.



## **Culture of Inclusion and Voice**

We uphold the International Labour Organization (ILO) principles of freedom of association and collective bargaining. Our Human Rights Policy guarantees every employee the right to unionize, seek representation, and negotiate conditions of employment without fear.

We also maintain open communication through structured forums such as Townhalls, Business Updates, skip-level meetings, team huddles, and "Buzz" sessions, ensuring every voice is heard and respected.



## **Celebrating Together**

Aragen fosters a vibrant, inclusive culture that values collective celebration and personal milestones. Our PRISM engagement platform drives bonding through cultural fests, talent showcases, and success celebrations. Key engagement initiatives include:





Thank You Week: Encourages peer recognition using WOW Cards



Fresher's Day: Young Achievers Program to welcome new graduates and build industry, academia partnerships



Team Outings & Birthdays: Facilitated by BU HRs and team managers



Children's Day: Post-COVID revival of family-inclusive celebrations



**Sports Events:** ACT (Aragen Champions Trophy - cricket), ABC (Aragen's Badminton Championship), and women's matches

Our employee engagement strategy is holistic, supporting careers, recognizing excellence, fostering agility, and building an inclusive culture. With people at the heart of our growth, we continue to empower them to thrive in a dynamic, fast-paced environment.

## **Workplace Health and** Safety

At Aragen, safeguarding the health and safety of all individuals within our operational ecosystem is a core organizational priority. In FY25, we reaffirmed our commitment to occupational health and safety (OHS) by implementing a comprehensive management system, not as a compliance exercise, but as an integral part of our values, driven culture. This system is aligned with globally recognized standards, including ISO 45001:2018, and guided by a robust Corporate Environment, Health, and Safety (EHS) policy and framework.

Our occupational safety and health programs are essential pillars of our operational training and cover:

#### Safety training:

- 1. Hazard communication and SDS
- 2. Industrial hygiene
- 3. Usage of PPE & RPE
- 4. Safe handling of chemicals
- 5. First-aid & fire safety
- 6. Handling of CMR compounds



## Health awareness:

- 1. Ergonomics
- 2. Cancer awareness
- 3. Healthy aging and longevity
- 4. Mental health
- 5. Heat stress
- 6. Respiratory disorders and management



These sessions empower employees to maintain a safe and healthy workplace, ensuring regulatory compliance and risk mitigation.

## **Governance and Oversight**

Our OHS performance is overseen by the Corporate Safety Committee, chaired by the CEO and comprising representatives from over 20 cross functional teams. The Committee meets quarterly to review safety metrics, assess incidents, and set forward looking objectives for continuous improvement. This structured governance framework ensures that OHS remains a strategic agenda item across all business units.

In addition to Safety Committee, we have formed multiple teams responsible to drive action and ensure compliance across specific EHSS aspects:



An internal audit team that aims to achieve the highest degree of compliance with ISO and internal standards.



An incident investigation team responsible for assessing safety incidents and devising CAPAs to mitigate risk.



A Process Safety Team that assesses products and stages to identify and manage hazards while maintaining positive performance of the overall safety system.

The scope of our OHS management system extends beyond direct employees to include contract and part time employees. This inclusive approach ensures uniform safety protocols and shared accountability across all our sites and subsidiaries.



























Aragen Life Sciences Sustainability Report 2024-25 | 85

## Risk, Based Safety Management

Aragen adopts a proactive, risk-based approach to health and safety. All operational activities are classified as routine, non-routine, normal, abnormal, or emergency. Each activity undergoes a detailed hazard identification and risk assessment process using the Hierarchy of Controls (HoC) methodology. Risks are assessed based on likelihood and severity and categorized into Low, Moderate, or High tiers. Targeted mitigation plans are developed accordingly and are monitored for effectiveness over time.

## **Safety Culture and Reporting Mechanisms**

Our safety culture is built on trust, transparency, and empowerment. Employees are encouraged, and expected, to report unsafe conditions or behaviours through multiple accessible channels, including supervisors, on site EHSS teams, and our internal digital platform-iSHIELD. This platform supports anonymous submissions and is backed by a strict no retaliation policy. To incentivize proactive behaviour, employees are recognized and rewarded for reporting potential hazards.



## **Safety Performance Overview**

Our approach to safety is rooted in proactive identification and effective management of workplace hazards. These risks are identified through monthly safety inspections, leadership team walkarounds, internal audits, incident investigations, and comprehensive risk assessments. To mitigate these risks, we follow the hierarchy of controls, aiming to reduce them to acceptable levels.

#### **Details of Work-related Injuries (Employees)**

Category	FY25	Rate	FY24	Rate	FY23	Rate
Fatalities	0	0	0	0	0	0
(LTI)*	0	0	0	0	0	0
Recordable injuries	10	0.16	11	0.26	8	0.19
Main types of work- related injury	Cut injury, chemical burns	-	Thermal burns, chemical exposure	-	Chemical exposure, Cut injury	-
No of hours worked in reporting year	1,24,02,635	-	85,27,458	-	84,39,282	-

\*LTI - Lost time injury

#### Details of Work-related Injuries (other than permenant employee)

Category	FY25	Rate	FY24	Rate	FY23	Rate
Fatalities	0	0	0	0	0	0
(LTI)	0	0	0	0	0	0
Recordable injuries	3	0.17	5	0.27	4	0.23
Main types of work- related injury	Cut injury, Thermal burns	-	Cut injury, chemical exposure	-	Cut injury, Chemical exposure	-
No of hours worked in reporting year	34,46,692	-	35,78,196	-	35,11,018	-

There is **no lost time injury** occurred in our facilities during FY25. In line with international standards and to ensure consistency with our global clientele particularly in the US and Europe, we calculate injury rates based on 2,00,000 hours worked, as per OSHA guidelines. This harmonized approach allows us to accurately measure and continuously improve our safety performance across all operations.

#### Lost Time Injury Frequency Rate (LTIFR)

Category	FY25	FY24	FY23
Employees	0	0	0
Contract employees	0	0	0

Our safety performance continues to show outstanding results, with a consistent Lost Time Injury Frequency Rate (LTIFR) of zero for both employees and contract employees across the last three fiscal years. This zero LTIFR demonstrates our unwavering commitment to maintaining a safe and risk-free workplace for all, underscoring the effectiveness of our safety protocols and preventative measures.

#### Total Recordable Incident Rate (TRIR)

Category	FY25	FY24	FY23
Employees	0.16	0.26	0.10
Contract employees	0.17	0.27	0.23

## Zero fatality since past five years

58.19 million man-hours without lost time injury since July 2019

#### Workers covered under OHS System in FY25

Category	FY25	FY24	FY23
Number and Percentage of all employees and workers who are not employees but whose work and/ or workplace is controlled by the organization, who are covered by OHS system	100%	100%	100%

To further reinforce preparedness, we regularly conduct fire and emergency drills and safety committee meetings at all locations. These activities, combined with robust incident tracking, help maintain operational readiness.























## **Process Safety**

We at Aragen understand that no two industries face the same safety challenges. Our Occupational Health and Safety (OHS) approach is therefore tailored to address the specific health hazards associated with our operations. A key focus area is chemical process safety, which is fully integrated into our comprehensive risk assessment strategy across the product life cycle. We employ a combination of advanced techniques, predictive models, and technologies to proactively prevent chemical hazards during the manufacturing of intermediates and pharmaceuticals. This includes minimizing the risk of unintentional releases of toxic substances into the environment.

Our specialized process safety laboratory team plays a vital role in managing chemical safety risks, particularly in the development of active pharmaceutical ingredients (APIs). A series of thermal and powder safety assessments are conducted to ensure that safety protocols are maintained at the highest standards throughout the development and manufacturing process.

## **Safety Training**

In FY25, Aragen delivered 23,236.5 training man-hours to strengthen safety awareness and readiness. This included:

Training Type	Man-Hours
Employees	18,109
Contract employees	5,127.5

\*Excluding US location

Aragen imparted 7.34 hours of EHS & Sustainability training per targeted employees. These training programs were customized to address both occupational safety and occupational health, equipping our teams with the skills to identify risks and respond effectively.



#### **Occupational Safety Trainings**



- Process hazard analysis
- · Static electricity and its hazards
- · Hazardous area classification
- Incident investigation
- Permit to work
- Hazard communication, SDS, UN classification
- On-site emergency plan

#### **Occupational Health Trainings**



- Stress management
- Awareness training on CMR chemicals
- Noise control measures
- Hydration & nutrition
- Lifestyle management

# **Ethical Security and Human Rights Training**

Recognizing the role of security personnel in upholding human dignity, we have integrated human rights training into our security protocols. Our training modules are based on international frameworks, such as the International Covenant on Civil and Political Rights.

Core training components include:



International human rights awareness



Ethical decision-making and conflict resolution



**Cultural sensitivity and diversity** 



Responsible use of force



Transparent reporting and accountability



**100%** of security personnel, including those from third-party vendors, were trained on Aragen's human rights policies and procedures.

For us, protecting people is not just a compliance activity, it's a fundamental business responsibility. Our workplace health and safety practices reflect our enduring commitment to human dignity, operational excellence, and sustainable growth. By integrating safety into every level of our operations, we aim to foster a workplace where wellbeing and performance go hand in hand.



























# **COMMUNITY: EMPOWERING PEOPLE**

## **Key Topics**

Community Wellbeing & Support Community Engagement & CSR

#### **SDGs mapping**















## **Community Wellbeing & Support**

We are deeply committed to fostering the wellbeing of the communities in which we operate. We believe that true growth is measured not just by our achievements, but by the positive and lasting impact we have on the communities we serve. Our activities not only drive economic growth but also enhance local economy, contribute to community health, and provide opportunities for sustainable development. While we actively work to minimize challenges such as environmental impacts and socio-economic disparities, we remain focused on maximizing the positive effects of our operations through responsible business practices and robust community engagement.



## **Economic Growth** and Employment

We recognize the vital role we play in driving economic growth. By offering diverse job opportunities across various skill levels ranging from scientists and researchers to support and administrative staff, we stimulate local employment and contribute to overall economic development. Our competitive salaries and benefits improve the living standards of our employees and their families, increasing disposable income and driving demand for local goods and services. As we grow, we continue to generate positive economic activity that benefits surrounding businesses, including local suppliers and retail outlets.





## Infrastructure **Development**

Our presence often leads to the development of key infrastructure that benefits the wider community. From improved transportation networks to upgraded utilities, our facilities catalyze infrastructure growth in the areas we operate. Additionally, through strategic partnerships with local healthcare services, we contribute to improving community health outcomes, helping to build a healthier, more resilient local environment.





























Annexure



## **Education and Skill** Development

We prioritize the development of a skilled local workforce. Through investments in training, upskilling, and collaboration with educational institutions, we enhance the local talent pool and drive long-term growth. By offering internships, research opportunities, and knowledge transfer programs, we elevate local education standards and encourage innovation. These efforts not only benefit our workforce but also contribute to technological advancements and local entrepreneurship. strengthening the region's competitive edge.



## **Community Engagement & CSR**

At Aragen, we prioritize meaningful community engagement to create lasting positive impacts. Our approach focuses on transparent collaboration with local stakeholders and aligning our actions with the community's needs.

A prime example of our community development work is the garden we have developed. What began as a peaceful green space has transformed into a vibrant hub for social gatherings, from family picnics to larger community festivals. This garden has become a place for residents to connect, strengthening neighborhood bonds and enhancing quality of life. It promotes social cohesion, mental and physical wellbeing, and serves as a central venue for community activities.

In addition to our environmental efforts, we actively contribute to local health and wellbeing through health camps, educational initiatives, and sustainable practices. By championing green technologies, we support the development of a healthier, more sustainable community. Through ongoing collaboration with local stakeholders, we continue to create shared value, ensuring long-term social, economic, and environmental benefits for the communities we are part of.



## **Our Responsible Growth**

We envision a world where every community thrives through access to opportunities, sustainable resources, and empowered living. Our Corporate Social Responsibility (CSR) vision is rooted in the belief that strong, healthy communities are the cornerstone of a prosperous and inclusive society. By championing holistic and sustainable development, we aim to drive meaningful, long-term change that uplifts life and strengthens the social fabric around

## **Our Pillars of Community Engagement**

**Environment** Focus: Sustainability & Resilience

Education Focus: Access & Opportunity

Healthcare Focus: Wellness & Equity

## Our Structured approach to CSR **Execution**

- CSR committee consists of Board members to provide strategic direction for our corporate social responsibility initiatives.
- CSR policy, approved by the Board, outlines the key focus areas for our projects and activities in this domain. For more details, Corporate Social Responsibility - Aragen Life Sciences
- Implementation of CSR Programs is overseen by Committee, ensuring appropriate allocation and effective utilization of CSR funds annually.
- Monitoring and Process Reporting are in place to track the impact and progress of all CSR initiatives
- Periodical review of CSR policy by Committee to keep it aligned with evolving social priorities and regulatory requirements.
- 317 Lakhs spent on various CSR projects like environment, education and healthcare.





Business





Strategy

















#### Beneficiaries in FY25

1,500 TB Patients provided with nutritious food

Assisted 1 child with heart surgery

0.95 million people travelled on the bridge constructed approximately 4 acres park maintained

1,500 +

saplings planted

2 lakh people use rock garden park

**38** students

trained through

finishing school

Aragen Life Sciences

Sustainability Report 2024-25 | 93

#### **Our CSR activities**



# Collaborative Community Consultations:

Regular stakeholder consultations with community leaders, NGOs, and residents form a cornerstone of our community engagement strategy. These dialogues provide us with critical insights into the needs, concerns, and aspirations of the communities we serve, enabling us to respond with relevance and empathy.

In addition, we conduct periodic impact assessments to holistically evaluate the social, economic, and environmental implications of our initiatives. These assessments not only measure effectiveness but also guide continuous improvement, helping us align our programs more closely with community priorities. Our latest insights and progress are detailed in the CSR Impact Assessment Report for FY24 and can be accessed here Aragen\_Report

# Commitment to Progress: Our Future Plans

Building on our successful collaboration with IICT, we plan to establish a dedicated in-house institute aimed at providing industry-relevant training to 200 students annually, thereby scaling our impact and strengthening the talent pipeline for the scientific community









Sustainability Strategy



Planet









Resilient
Supply Chain









# **ORGANIZATION: BUILDING TRUST**

## **Key Topics**

Innovation in Action Corporate Ethics and Legal Compliance **Ethical Marketing Practices** Customer Health & Safety Data Privacy and Security Practices Aragen's Commitment to Human Rights

#### **SDGs mapping**









# | Aragen Life Sciences

## **Innovation in Action**

We are setting new industry benchmarks by consistently adopting cutting-edge technologies and making pioneering investments across key areas. From advanced platforms like compound management, catalyst screening, microchemistry, electrochemistry, and flow chemistry to state-ofthe-art analytical capabilities such as SFC for chiral purification and NMR, Aragen leads with innovation.

We also place a strong emphasis on digitalization, being the first Indian CRDMO to introduce electronic lab notebooks, adopting AI/ML tools across operations, and digitizing our entire supply chain with RPA driven procure-to-pay processes.

With multiple sites across geographies, we ensure sustained operations and robust risk mitigation, while actively working to reduce China dependency by building domestic supplier networks; all underscoring our commitment to innovation-driven resilience.

As part of our commitment to sustainable operations, we invest in green chemistry to minimize resource use, reduce waste, and lessen the chemical impact on human health and the environment. We follow a Define, Measure, Analyze, Improve, and Control (DMAIC) program to achieve operational excellence.

Sustainability at Aragen is a foundational value that informs both our scientific pursuits and operational decisions. Through our commitment to green chemistry, we aim to minimize environmental impact, reduce waste, and enhance safety across every stage of research and development.

into our R&D workflows, enabling us to design processes that are both efficient and environmentally responsible. As part of this initiative, our R&D teams are actively working to reduce solvent consumption and increase the use of natural solvents, such as water, for product isolation effectively replacing

A recent success from our portfolio, product #1, stands as a testament to this commitment and showcases the tangible benefits of green innovation in action.









Strategy

















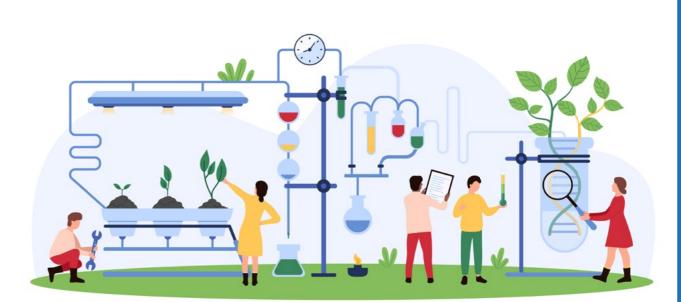






Green chemistry principles are seamlessly integrated

conventional organic solvents.



## Case Study:

## **Process Optimization for Product #1**

#### **Key Impacts:**

- 80% reduction in Process Mass Intensity (PMI)
- 25% increase in overall yield
- Elimination of energy-intensive steps like distillation

As part of our commitment to implement green chemistry principles into our R&D operations, we conducted a thorough evaluation of the synthesis route for product#1. The original process involved two distinct steps, multiple solvents, and energy-intensive operations. By reengineering the workflow into a single in-situ step, we achieved remarkable improvements in both environmental and operational metrics.

## Comparative assessment between two-step process and the in-situ process

Comparative parameter	Original process	New process
Process Mass Intensity (PMI)	250	50
Steps (Nos)	2	1
Time cycle (Days)	10	5
Solvents (Nos)	3	1
Overall yield (%)	64	80

The new process not only simplifies production but also significantly reduces solvent use, energy consumption, and greenhouse gas emissions, reinforcing our goals of resource conservation and process optimization. Through such initiatives, we continue to advance our vision of a greener, safer, and more sustainable future in pharmaceutical drug development. Aragen Life Sciences

## **Driving Impact through Aragen's Continuous Excellence**

## **Operational Excellence**

At Aragen, operational excellence is not just a function, it's a mindset that drives transformation, innovation, and value creation across the organization. Through our structured framework, Aragen's Continuous Excellence (ACE), we foster a culture rooted in problem-solving, adaptability, and relentless improvement, ensuring sustainable business.

Our ACE program is designed to instill a mindset of continuous improvement, problem-solving, and agility in the face of change. Our goal is to empower every employee to contribute to operational excellence, whether through small incremental changes or large-scale transformations. The tools and methodologies we leverage, including Kaizen, Six Sigma, Lean, and Design Thinking, enable us to optimize processes, reduce waste, and achieve better outcomes.

We believe that what gets measured, gets improved. Hence, we are excited to launch the ACE (Aragen Continuous Excellence) Scorecard, a powerful

framework to drive and measure continuous improvement across our organization.

Built around four key pillars, ACE aligns operational efforts with measurable business outcomes:

- Performance Impact: Kaizen and projectdriven initiatives are implemented by applying operational excellence principles to deliver tangible business results.
- Capability Building: Targeted learnings for all functions and grades of employees to empower innovation-ready teams.
- **Value Realization:** Efficiency-led initiatives that drive cost advantages for Aragen and our customers.
- Governance & Accountability: Leadership-led oversight ensuring transparency and alignment.

With our ACE Champions leading the way, we are advancing toward excellence that's measurable, meaningful, and customer focused.

#### **Tools and Practices We Leverage**

Our approach to operational excellence is driven by a well-defined set of tools and methodologies that support business agility and efficiency.



























#### **Aragen's Continuous Excellence FY25**

In FY25, Aragen's ACE program delivered remarkable results across various operational and business dimensions.

#### **Powering Excellence Through People**

At Aragen, we are committed to developing a workforce equipped to drive change and deliver sustainable results.

In FY25, we invested 5,936 man-hours in training to build the competencies of our employees. As a result:

- 1,105 employees trained on Kaizen
- 1400+ people trained on operational excellence

## Our Achievements:

Kaizen Championship Launch (March'25):
 A platform to encourage and recognize continuous improvement initiatives across the company.



- » 11 educational snippets circulated to share best practices and key learnings.
- » 4 quizzes conducted, with over 1,200 participants, fostering employee involvement and knowledge retention.
- Webinars: Specialized sessions on critical topics such as Why-Why Analysis, Problem Solving, and Design of Experiments to deepen expertise in operational excellence methodologies.
- Operational Excellence Transition Programs:
   Workshops conducted across various levels of
   the organization to ensure that the principles
   of operational excellence are integrated into
   everyday business activities.







ACE Six Sigma Certification Program - Oct'24 - Jan'25

#### **High-Impact Projects**

We successfully implemented Lean, Six Sigma and Kaizen methodologies across several business domains, delivering high-impact results such as:

- Batch sizes increased, cycle times reduced, and yields improved
- Power consumption reduced across manufacturing and office sites
- DMSO-d6 usage reduced in NMR analysis
- Methanol consumption reduced in glassware washing
- Warehouse space optimized
- Water consumption reduced in Hyderabad and Bengaluru sites
- Raw material usage optimized through vendormanaged inventory
- Improvement in delivery performance in SCM
- Reduction in breakdown of analytical instruments
- Reduction in LOD analysis time
- Paper usage reduction thru digital signature
- Customer Query TAT improvement

#### **Value Creation and Recognition**

With over 60 high-impact projects completed and more than 100 projects in the pipeline, our focus on reengineering complex, cross-functional processes have led to significant boosts in efficiency, particularly in areas like supply chain optimization, process simplification, and cost reduction.

Our dedication to excellence has also been recognized externally, with three Gold Awards at the QCFI Convention and an Award for Best Use of Data Analytics in Pharma by Ntraine.





Launch of Kaizen Championship

























Annexure

100 | Aragen Life Sciences Sustainability Report 2024-25 | 101

## **Aragen Digital X**

Aragen recognizes that accelerating digitalization is critical to unlocking the full potential of its AI and Data Science initiatives. While strong progress has been made with people, technology, and data backbones, the next major focus is ensuring end-to-end digital data capture and availability across operations. This includes fast-tracking the development of the expanding digital systems across functions, and creating seamless data pipelines all of which are essential to fuel scalable, Al-driven applications and deliver meaningful business impact.

#### **Strengthening Skills for the Digital Future**

With the endeavour of continuous upskilling, the Aragen Digital X (ADx) team has completed multiple trainings and certifications across key areas critical for driving Digitalization and AI across the organization. This includes courses in GenAI, AI/ML, Scrum Master for Product Owners, Information Security (CISM/ CISSP), Automation for Testing, as well as domainfocused trainings in Chemistry, IDD, Biology, and ADX. Additionally, multiple AI/GenAI training sessions have been conducted with cross-functional teams (CFTs), further strengthening organizational readiness for digital & AI transformation.









AL/Gen AI Training Sessions conducted with CFTs + GenAI Course

#### **FY25 Initiatives & Achievements**

Digital Initiatives	
Collaboration Companion	'Collaboration Companion' serves as a performance catalyst, providing every scientist with real-time access to visual dashboards of their key delivery & process metrics across several dimensions
ATR Harmonization & Digitalization	Create a standardized 'Universal Final QC' template and; Digitalize & Automate capture of information from sample management application directly into final QC reports
eSample	Digitalize and eliminate paper-based SSF (Sample Submission Form) and enable seamless collaboration for managing samples between FRD & ARD teams
Mapping Solution	Customized excel-based solution for efficient tracking of occupancy of animal house.

Data Science & Al Ini	tiativas

Golden Batch Analytics	ML modelling for manufacturing yield improvements by predicting parameters (temperature, pressure) to enable the batch to achieve higher yields
Al-driven DMPK Property Prediction	AI-powered platform for fast, reliable, and accurate ADME (Absorption, Distribution, Metabolism, and Excretion) property prediction of compounds
SciGenie	Virtual assistant powered by Generative AI and Natural Language Processing offering personalised, context-aware results, enabling scientists to quickly access concise, diverse perspectives from multiple sources

























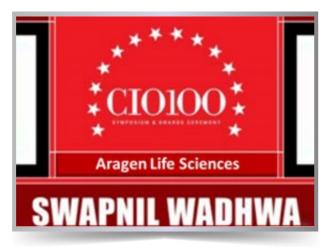
## Recognition

Increasing Industry Recognitions for Aragen's Digital & Al Transformation Journey











#### The Road Ahead: Digitalization in FY26

As part of FY26 goal planning, we aim to accelerate Digital and AI initiatives in close alignment closely with core business objectives with a focus on delivering tangible business value.

## **Corporate Ethics and Legal Compliance**

At Aragen, ethical business practices are fundamental to our operations. Guided by the ETHICS framework we prioritize integrity, accountability, and transparency in all relationships, both internally and externally.

Ethical conduct and legal compliance are integral to our long-term success. Regular materiality

assessments underscore their importance in building stakeholder trust, fostering growth, and managing operational risks. We adhere strictly to legal standards, ensuring compliance with local, national, and international laws. Our policies are designed to fully comply with regulations, including those related to political contributions and lobbying, with no legal actions pending related to anti-competitive practices.

## **Policies and Principles**

To ensure that we uphold these values, we have implemented a robust set of policies that align with our ethical standards and legal obligations. These policies guide our decision making across all levels of the organization and serve as the foundation for our compliance culture. Our policies can be accessed here: *Policies - Aragen Life Sciences* 













Planet











104 | Aragen Life Sciences Sustainability Report 2024-25 | 105

## **Bribery and Corruption: Zero Tolerance, Full Accountability**

We uphold a zero-tolerance policy towards bribery and corruption, in accordance with the highest standards of ethical business conduct. As part of our compliance framework, we have implemented comprehensive anti-bribery and corruption policies that are regularly communicated to our employees and business partners.

· Our operations are assessed for risks related to corruption and there was no significant risk identified.

## No incidents of corruption have been reported

## **Training and Awareness**

To ensure that our ethical standards are understood and followed, we provide comprehensive training on a range of compliance-related topics, including ethics, anti-bribery, and regulatory requirements. Our training initiatives include:

- Awareness on Ethics: Weekly flyers are shared with employees over mail to create awareness on ethical and responsible behaviour.
- Scenario-Based Learning Modules: Interactive training that helps employees navigate real-world ethical dilemmas.
- E-Learning Compliance Refreshers: Periodic online courses to keep employees updated on the latest legal and regulatory changes.

We encourage a cultureof continuous learning, ensuring that ethical behavior is reinforced at all levels of the organization.

## Monitoring, Controls, and Due Diligence

We implement strong internal controls and perform regular risk assessments to ensure compliance with our policies and relevant regulations. These initiatives help us identify potential risks early and mitigate them effectively. Key measures include:

- Internal Audits: Regular internal audits ensure that our operations comply with both legal standards and internal policies.
- Risk Assessments: Regular risk assessments help identify areas of potential non-compliance, enabling proactive measures to mitigate risks.
- Compliance Audits: Periodic audits are conducted to ensure adherence to ethical, legal, and regulatory standards. These audits are supported by external firms to ensure full compliance.

## **Reporting and Whistleblowing Mechanisms**

At Aragen, we encourage an open and transparent environment where ethical concerns can be raised without fear of retaliation:

- Whistleblower Channels: Employees and stakeholders have access to confidential reporting mechanisms to report any unethical or non-compliant behavior. We ensure that these reports are handled with the utmost seriousness and confidentiality.
- Non-Retaliation Policy: We protect whistleblowers from retaliation, promoting an open environment where ethical issues can be discussed freely.
- Report Handling Procedures: Reports are addressed promptly by our compliance team, and necessary actions are taken to rectify any issues raised.

## **Ethical Marketing Practices**

At Aragen, we are committed to ensuring that our marketing and sales practices are ethical, transparent, and fully compliant with applicable regulations. We recognize that responsible marketing plays a vital role in building stakeholder trust, safeguarding our brand reputation, and promoting our products in a manner that reflects our core values—sustainability, transparency, and ethical business conduct.

## Transparent Product and Service Information

We ensure that 100% of our product and service categories are covered by clear and compliant labelling. The organization provides detailed disclosures on:

- Product Composition and Sourcing: Through Material Safety Data Sheets (MSDS) and regulatory documentation, we offer comprehensive details about product ingredients, sourcing locations, and safety considerations.
- Safe Use and Disposal: Integrated Environmental, Health, Safety & Sustainability (EHSS) guidelines inform customers on handling, using, and disposing of products safely to minimize environmental and human risk
- **Environmental and Social Impact:** Disclosures on climate action, water use, biodiversity, and emissions are made through our annual Sustainability reports, aligning with frameworks such as the GRI, UNGC, and SBTi.
- These disclosures are regularly reviewed and validated through internal processes, including Product Quality Reviews (PQR), Pre-Startup Safety Reviews (PSSR), and Change Management procedures to maintain accuracy and relevance.

## Internal Controls and Label **Accuracy Governance**

A sophisticated Quality Management System (QMS) supports our end-to-end compliance with labelling and safety requirements. Key governance pillars include:

- Audit Committee Oversight: Regular audits by an independent global firm assess compliance with labelling regulations and identify areas for improvement.
- Functional Committees: Internal review committees ensure policy adherence, address grievances, and monitor labelling accuracy.
- Training and Awareness: Employees are trained on labelling laws and policies, with annual certifications to reinforce accountability.
- Regulatory Support and QA: Expert teams support every phase of product development with a strong focus on labelling compliance and product integrity.







Management



(FS)

Strategy



Workforce











# Non-Compliance and Incident Management

We have reported zero incidents of non-compliance related to labelling and marketing communications over the last three years. The company's Quality Assurance (QA) team maintains a well-defined system for identifying, tracking, and addressing potential issues. Procedures include:

- Detailed investigations for any deviations
- A recall management framework guided by regulatory expectations
- Transparent communication strategies with all stakeholders during any product recall events

# Innovation in Responsible Marketing

Our approach to responsible marketing goes beyond compliance by embedding sustainability and transparency at the heart of communication strategies:

- Proactive Stakeholder Engagement: Feedback loops and open communication channels ensure consumers and partners are continuously informed and engaged.
- Cross-functional Integration: Marketing, Regulatory, QA, and Legal teams collaborate on every product release, ensuring messages are not only compliant but also aligned with our sustainability vision.



## **Customer Health & Safety**

Aragen integrates customer health and safety considerations into every step of the product journey. We employ cutting-edge technologies, adhere to stringent global regulations, and collaborate with stakeholders to proactively assess and mitigate health risks. By continuously improving our safety protocols and conducting regular audits, we ensure that our products not only meet but exceed the highest standards of health and safety.

#### **Proactive Risk Assessment**

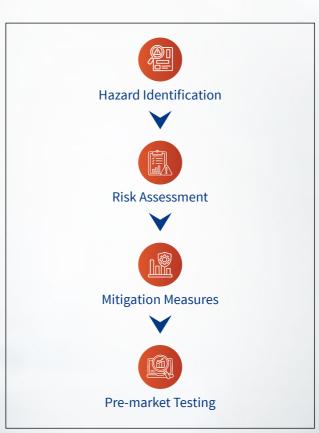
We prioritize identifying potential health and safety hazards associated with every product or service. Using advanced techniques such as Hazard Identification and Risk Assessment (HIRA), we analyze risks and evaluate their severity to determine appropriate mitigation measures. Whether it's the toxicity of chemicals in our pharmaceutical formulations or potential side effects of biologics, our goal is to proactively reduce any risks before they reach the market.

## **Innovative Safety by Design**

We incorporate cutting-edge technologies to design products and services that mitigate health and safety risks. This includes computational toxicology and exposure modeling to predict and minimize risks early in the product development phase. Additionally, we utilize modeling and simulation tools to test the safety of new compounds, refining chemical structures and formulations to ensure the highest safety standards.

## **Strict Regulatory Compliance**

To ensure that our products are safe for consumers, we adhere strictly to global health and safety regulations. We regularly audit our processes to ensure compliance with international standards such as those set by the Food and Drug Administration (FDA), Environmental Protection Agency (EPA), and other governing bodies. Our commitment to compliance extends to all aspects of product development and manufacturing, including Good Manufacturing Practices (GMP), ensuring that all products are of the highest quality and meet safety standards before reaching consumers.





























108 | Aragen Life Sciences Sustainability Report 2024-25 | 109

## **Collaborative Approach to Safety**

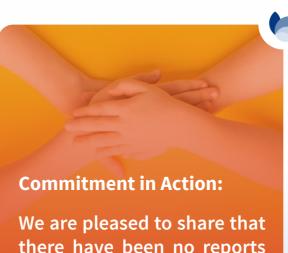
We actively collaborate with external stakeholders, including healthcare professionals, regulatory bodies, and customers, to ensure that our products meet their health and safety expectations. We value customer feedback, using it to refine our product designs and improve safety measures. This feedback loop ensures that Aragen remains responsive to health concerns and continuously elevates our safety protocols.

## **Training and Empowering Stakeholders**

To ensure the safe use of our products, we provide thorough training to both employees and customers. Our staff is educated on the latest safety protocols. By empowering those involved in the production and use of our products with the knowledge and tools to handle them safely, we minimize the risk of safety incidents.

## **Comprehensive Safety Impact Tools**

Aragen employs a wide range of methods and tools to conduct health and safety impact assessments. These include material safety data sheets (MSDS), hazard and operability studies (HAZOP), and exposure assessments. Additionally, we use advanced modeling tools to predict chemical toxicity and perform environmental impact assessments to ensure minimal harm to ecosystems. Regular safety audits, both internal and external, further bolster our safety measures.







## **Data Privacy and Security Practices**

We prioritize the protection of our clients' sensitive information, recognizing that robust data security and privacy measures are fundamental to maintaining trust and compliance in today's digital landscape. We are committed to safeguarding all forms of data from unauthorized access, cyber threats, and privacy breaches, while adhering to the highest standards of data privacy regulations.

## Our Philosophy: Security by Design

We adopt a Security by Design approach integrating protection at every stage of the data lifecycle, from acquisition and processing to storage and disposal.

#### **Key Principles:**

- · Proactive Protection
- Compliance-Driven Policies
- **User-Centric Security Awareness**
- · End-to-End Lifecycle Control

#### **Our Security Framework at a Glance**

Category	Tools/Systems Used	Impact
	ISO/IEC 27001:2022 SOPs, Data Handling Protocols	Policy Creation and SOPs
Data Governance		
	Forcepoint Data Leak Prevention	Prevent loss or leakage
Data Leak Protection		
	Role-Based Access, Multi-Factor Authentication (MFA)	Manage user permissions
Access Control		
Paglorn & Paggorano	Automated Backups, Redundant Storage	Ensure business continuity
Backup & Recovery		
	24/7 Security Monitoring, Ethical	Detect and respond to threats
Monitoring & Response	Hacking, Stress Testing	
	Mobile Device Management (MDM)	Reduce the risk of unauthorized access on mobile devices and data breaches
Mobile Data		
Protection		
	Regular Cybersecurity Training, Confidentiality NDAs	Build a human firewall
Employee Awareness		

















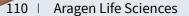












## **Regulatory Compliance**

Ensuring the security of data is a critical component of our operations, especially in a field dedicated to groundbreaking advancements in life science and technology. To address emerging cybersecurity risks, we have implemented state of the art data protection measures that align with global privacy regulations, such as:

Regulation	Compliant Practices at Aragen
GDPR (EU)	Data minimization, consent protocols, subject rights policies
HIPAA (USA)	Secure handling of protected health information (PHI)
ISO/IEC 27001:2022	Certified Information Security Management Systems (ISMS)

Our data privacy policies govern the collection, storage, processing, and sharing of personal data, ensuring that all information is handled with the utmost care and confidentiality.

## **Innovation in Secure Digitalization**

We have integrated advanced cybersecurity solutions to protect against data breaches and unauthorized access. Our systems include:

- Forcepoint Data Leak Prevention: A system designed to minimize risks associated with human handling of data, enhancing visibility and control over data-centric processes.
- Mobile Data Management Solutions: These solutions act as a barrier against data leaks from mobile devices, ensuring data security across various platforms.
- Automation and Backup Services: Integral to our data protection strategy, these systems ensure that our data infrastructure is secure, and backups are regularly performed for business continuity.
- Electronic Lab Notebooks (ELNs): Replaces paper with encrypted, version-controlled entries.
- e-Cule Mobile App: First in India to securely share structural information, with end-to-end encryption.

## **Zero-Cybercrime Record**

We are proud to maintain a zero-cybercrime record, with no instances of data breaches or privacy violations either internally or externally. This impeccable track record highlights our commitment to stringent data security measures and reflects our proactive approach to cybersecurity. We have not received any complaints concerning breaches of customer privacy and have not identified any leaks, thefts, or losses of customer data.

## **Business Continuity & Incident** Response

To safeguard against unexpected disruptions, such as network or server attacks, we have developed a business continuity plan. This plan ensures rapid recovery and minimal downtime, protecting both our data and the interests of our clients in the event of an emergency. We employ extensive IT security systems and controls to safeguard our data. These systems are routinely evaluated and updated to address emerging threats. Our dedicated IT security team continuously monitors for potential vulnerabilities, ensuring rapid response to incidents to preserve data integrity and security.

## **Transparency and Stakeholder Awareness**

We believe that transparency is essential to building lasting trust with our stakeholders. To this end, we provide clear and concise information on our data handling and security practices through our detailed privacy notice, available on our website. This document outlines our data protection protocols, including our policies related to third-party arrangements. We also carry out customer satisfaction survey annually and cover all the operations.

Employees form our first line of defense. We embed a culture of security through:

- Regular cybersecurity training on topics like phishing, password hygiene, and secure data handling.
- Comprehensive Standard Operating Procedures (SOPs) for all teams to respond effectively to threats



























Stakeholders with any concerns or inquiries are encouraged to reach out to us at data.protection@ aragen.com, where our team promptly addresses their concerns.



## **Aragen's Commitment to Human Rights**

At our organization, we are deeply committed to upholding fundamental human rights across all aspects of our operations, from our workforce to our supply chain. We believe that fostering a responsible and ethical business model starts with respecting and protecting the rights and dignity of all individuals. Our policies and practices are grounded in international human rights frameworks, ensuring that we operate in a manner that is fair, inclusive, and supportive for everyone involved in our business.

We are dedicated to transparency, accountability, and upholding human rights across our operations, supply chain, and partnerships. Through continuous monitoring and open communication, we ensure alignment with international standards and strive for ongoing improvement.

- **Monitoring System:** Tracks and reports incidents or grievances
- Stakeholder Engagement: Regular dialogue with employees, suppliers, and communities
- Continuous Improvement: Annual policy reviews, training, and audits

## **Human Rights at the Core of Our Business:**

Our human rights framework is aligned with globally recognized standards, including:

- International Labour Organization (ILO) Conventions
- Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights

We embed these principles into all areas of our operations, ensuring that fairness, inclusivity, and integrity are consistently upheld.

## Freedom of Association & **Collective Bargaining:**

We believe that a supported workforce is an empowered workforce. We uphold employees' rights

- Join or form unions
- Seek representation
- Engage in collective bargaining

These rights are protected under our Human Rights Policy, which ensures:

- Freedom from retaliation, intimidation, or harassment
- Full compliance with local and international labour laws
- Clear access to information and resources





## **Building Awareness: Human Rights Training**

To ensure that every individual involved with us understands the significance of human rights and how to uphold them, we provide comprehensive human rights training. Our security personnel undergo rigorous training based on international frameworks such as the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights.

Module	Key Focus Areas
Ethical Decision-Making	Promoting integrity in complex situations
Use of force & Conflict	Equipping security staff with de-escalation skills
Cultural Sensitivity	Fostering inclusion and awareness
Reporting Mechanisms	Encouraging transparent communication and accountability

By equipping our personnel with these vital skills, we ensure that all interactions within our organization are conducted in a manner that respects the rights and dignity of individuals, while also promoting ethical decisionmaking and accountability.

## No Child Labor: Protecting the **Future**

We have adopted a zero-tolerance policy on child labour in any form, within our operations and across our supply chain.

#### **Key Measures:**

- Mandatory age verification through official documents
- Supplier contracts with strict child labour clauses
- Regular risk assessments and social audits
- Comprehensive policy framework and robust due diligence

## **Combating Forced Labour**

Forced labour is a severe violation of human rights. We are committed to:

- Ensuring voluntary, fair employment
- · Allowing employees the freedom to resign at will
- · Prohibiting retention of personal documents

Zero incidents of child labor reported in FY25



























114 | Aragen Life Sciences Sustainability Report 2024-25 | 115

## RESILIENT **SUPPLY CHAIN**

## **Key Topics**

Sustainable Supply Chain Management Responsible Value Chain

#### **SDGs mapping**













## **Sustainable Supply Chain Management**

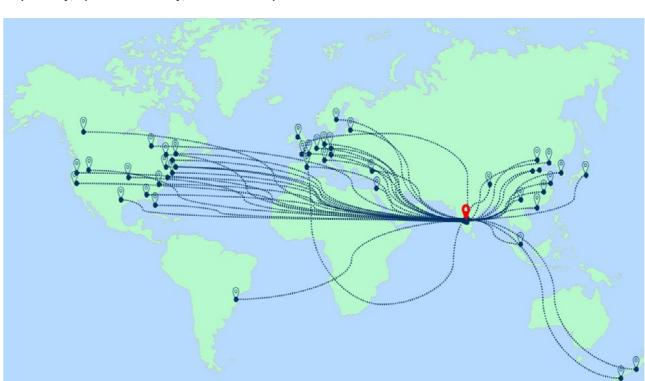
Sustainable supply chain practices are at the core of Aragen's commitment to building a resilient and ethical business. By thoughtfully incorporating environmental and social considerations throughout our supply chain from sourcing to delivery we improve efficiency, mitigate risks, and create enduring value. Our approach aligns with global ESG frameworks, including the CDP, EcoVadis, GRI and SBTi. We are also proud members of the UN Global Compact and the Pharmaceutical Supply Chain Initiative (PSCI).

## **Our Supply Chain Mantra**

"To be an agile & sustainable supply chain with high responsiveness & partnership approach driving continuous improvement through risk management, technological adoption, people development and ensuring focus on safety & compliance."

## **Global Supply Chain Network**

Our global supply chain spans 1,400+ partners across 20+ countries and 70+ cities, enabling us to source responsibly, operate efficiently, and deliver impact at scale.



## **Green Supply Chain Initiative: Envision**

We have a robust supplier assessment system through our EnVision initiative, which embodies our commitment to a sustainable and ethical supply network. By integrating sustainability into daily operations and encouraging our partners to adopt best practices, EnVision strengthens our

global procurement and logistics activities. This flagship program not only reinforces our corporate responsibility but also drives positive change within the industry, ensuring a greener future for all. Addditionally we have renewable energy stores at Mallapur





























## **Supply Chain Risk Management**

Our supply chain risk management framework is designed proactively to identify and mitigate thirdparty and operational risks, ensuring business continuity and regulatory compliance. This also safeguards data and enhances overall supply chain resilience.

To de-risk supply chain, we have implemented a third party risk management program aimed at identifying and mitigating supply partner related risks. This is complemented by an overarching Enterprise Risk Management (ERM) framework that ensures a structured approach to managing potential disruptions across the supply chain. We incorporate ESG risks into our evaluations, aligning our operations with broader sustainability and security standards.



- Current overall risk score is Low (4) on scale of 15
- Target to reduce the current risk score by 10 % YOY

#### **Our Policies:**

- Responsible Supply Chain Policy: We have implemented a robust supply chain policy to ensure ethical practices, sustainability, and transparency at every stage of our supply chain operations.
- Supplier Code of Conduct: Our Supplier Code of Conduct sets clear guidelines for supply partners, outlining expectations on labor practices, environmental standards, business ethics, social responsibility, and compliance with relevant laws and regulations.
- Supplier Diversity Policy: Our Policy promotes fair opportunities for businesses owned by underrepresented group, including women, minorities, LGBTQ+, veterans, MSME and small or disadvantaged enterprises. The SCM policies of Aragen can be accessed here: Policies - Aragen Life Sciences

Our green supply chain initiative considered minorities supply partners, women owned business and other socially weaker sections of the society such as minorities and micro small & medium enterprises industries (MSME) as part of assessment criteria with 30% weightage.

## **Supplier Screening**

We maintain an evolving supplier ecosystem, both upstream and downstream, to support our operations. Critical supply partners are identified based on factors such as spend, quality, distance from operation sites, criticality to operations, and whether they fall under hazardous categories. The table below provides a year-on-year overview of supply partner classification, including the total number of supply partners and their segmentation based on criticality and Tier 1 status.

Type of supply partners	FY25	FY24	FY23
Total number of Tier 1 supply partners	1,477	1,441	1,609
Total number of critical Tier 1 supply partners	200	44	14
Total No. of non-critical Tier 1 supply partners	1,277	1,397	1,595

From FY23 to FY25, critical Tier 1 supply partners increased by over 14x (from 14 to 200), while non-critical Tier 1 supply partners declined by 20%, reflecting a strategic shift toward prioritizing high risk or essential partners.







Management



Strategy



Planet



Workforce





Organization



**Supply Chain** 





(Ogo)	Sustainability Report 2024-25   119

## **Supply Partner Relationship Management**

Our flagship initiative, Aragen's Relationship Initiative for Supply partner Engagement (ARISE) is designed to foster deeper collaboration and mutual growth with our global network of over 1,400 supply partners. Focused on driving innovation, sustainability, and competitive advantage, the program emphasizes technology adoption, risk management, and ethical practices. Through strategic partnerships, comprehensive training, and performance assessments, ARISE ensures continuous improvement, empowering both Aragen and our supply partners to lead in scientific innovation while maintaining strong commitments to environmental and social responsibility.

## Theme for ARISE Program:



#### **Meetings & Engagement**

- Strategic Meetings
- Technical Seminars



#### **Strategic Collaboration**

- Go Green Plus Agreement with DHL for SAFc
- EV Vehicle for Material Movements
- Green Procurement Framework
- Technology Integration



#### **Performance Management**

- Performance Scorecards
- Sustainability Scorecards
- Annual Supply Partner Surveys



#### Life Cycle Management

- Onboarding
- Training & Certification
- Awareness Sessions



#### **Responsible Sourcing**

- · Responsible Sourcing Policy
- Supply Partner Code of Conduct
- Supply Partner Diversity & Incentivizing Program



#### **Risk Management & Compliance**

- Supply partner overall risk management framework
- 90% of supply partners under Low/Medium Risk
- · Audit Performance
- · Supplier Code of Conduct

## Driving Resilient and Responsible Supply Chain Through Supplier Engagement and Sustainability Integration

Initiative	Description	FY25
	Strategic meetings held with supply partners to align leadership teams and shared goals.	300+ hours of interaction
Strategic Supplier Engagement	-	
· · · · · · · · · · · · · · · · · · ·	Capacity-building sessions for supply partners to align with Aragen's evolving standards.	1,200+ hours
Supplier Training		
	Structured program for team building, skill development, and induction for new supply chain	Launched in FY25
ASCEND (Aragen's	team members.	
Supply Chain Employee		
Engagement Drive)		
	Skill enhancement sessions for procurement professionals.	2300+ hours
Buyer Training (under ASCEND)		
	Proportion of buyers who participated in ASCEND training.	90%
Buyer Participation Rate		
	Certification assessment required for all buyers.	80% passing criteria
Buyer Certification		

## **Grievance Redressal**

Our Supply Partner Grievance Portal (SPGP) ensures transparent and timely resolution of issues, enhancing partner satisfaction, driving operational efficiency, and strengthening overall supply chain resilience. We are committed to fostering strong, transparent, and mutually beneficial relationships with our supply partners. We understand that addressing supplier grievances is crucial for maintaining a healthy supply chain. Over the past few years, we have made consistent efforts to resolve concerns raised by our supply partners in a timely and efficient manner. Below is an overview of the supplier grievances received and resolved over the past three financial years:



Supplier Grievances	FY25	FY24	FY23
Supplier grievances received	134	309	516
Supplier grievances resolved	134	309	516







Risk Management

















120 | Aragen Life Sciences Sustainability Report 2024-25 | 121

## **Responsible Value Chain**

At Aragen, sustainability starts with how we design, develop, and manage our products and services. Guided by green chemistry, ethical sourcing, and life cycle thinking, we aim to create innovations that benefit both society and the environment. Our supply chain strategy is aligned with sustainability goals through measurable KPIs, supplier agreements, and board-level oversight. We ensure social compliance through regular training, grievance mechanisms, and active engagement with supply partners, making social performance a key factor in procurement decisions.

In line with these values, our presence at CPHI Milan 2024 highlights our commitment to advancing drug development through safe, efficient, and high-quality processes. With over 100 route scouting projects and 150+ process development programs successfully executed, we bring scientific excellence and operational agility to every collaboration, supported by world-class infrastructure and regulatoryapproved manufacturing capabilities.

## Partnering with Responsible **Suppliers**

We recognize that our supply partners choices directly impact our sustainability goals. Aragen uses a structured process to assess environmental and social performance. New supply partners undergo ESG screening through our supply partner onboarding form and Green Supply Chain Management (GSCM) checklist, while existing partners are evaluated using sustainability scorecard. We enforce high standards on labor rights, non-discrimination, fair wages, and health and safety ensuring our supply network reflects our values and supports a responsible value

We implement a structured supplier lifecycle process that starts with sourcing through various databases and networks. Potential partners are evaluated on performance, market insights, capabilities, regulatory compliance, and sustainability. Selected supply partners undergo onboarding, including DNB checks, risk assessments, GDPR declarations, and GSCM evaluations. Their performance is monitored through monthly scorecards, ARISE meetings, and regular GSCM training to ensure alignment with Aragen's quality, ethical, and sustainability standards.

## Source Identification

Subscription Data bases (ROW2, Chemical Info) EXIM Data, Internal data base, Custom synthesis Network, B2B platforms, Search Engines

#### **Supplier Evaluation**

Past performance, Market & Network intelligence, Technical competencies, Commercial competitiveness, Regulatory compliance, Sustainability

#### Supplier **Onboarding**

DNB assessment for Restricted trade entity, Financial, Ethical and compliance Risk evaluation, GDPR declaration, GSCM assessment

#### Performance **Evaluation**

Monthly score card circulation, ARISE meeting, GSCM training and evaluation

## Digital transformation in supply chain operations

We have made significant advancements in digitizing our supply chain to boost visibility, ensure compliance, and enhance operational efficiency. By leveraging cutting-edge digital solutions, we are transforming how we manage our procurement and logistics processes.

#### Key tools and platforms include:

**Existing Digital Solutions** 

- decision-making.
- RMC and Vendor Databases, offering detailed analysis and up-to-date product and supply partner information for better management and forecasting.

- SAP-based digital applications, automating
- SAP Ariba and reverse auction systems, which competitive pricing and transparency.

Our robust compliance framework includes comprehensive supply partner screening and the online MMDM tool for effective code management. Additionally, online subscriptions support regulatory tracking and discovery, ensuring adherence to industry standards.



Business





Strategy

















- E Cule Logi tracker, which provides real-time shipment tracking to improve planning and

- procurement processes such as CAPEX justification and PR-PO generation, improving speed and accuracy.
- streamline sourcing and bidding, ensuring procurement

# **VENDOR SCREENING**

## **VENDOR DATABASE**

Custom synthesis and manufacturer product details are updated



## RMC DATABASE

Customer data analysis









Live shipment tracking, helps in planning





#### SAP BASED DOGITAL APP

Robotic Process Automation, Capex Justification Form, BI



Used for onboarding new

suppliers on compliance aspect

## ONLINE **SUBSCRIPTIONS**

**ONLINE MMDM TOOL** 

Discovery, ROW2, DWCP, Import & Export Data, Scifinder

## **SAP ARIBA**

Digital Sourcing, RFO & SRM Platform

Tool, Auto PR-PO



**Used for Bidding** 

Sustainability Report 2024-25 | 123

## **Supplier Assessment for Environmental Impacts**

As part of our green procurement strategy, we have embedded environmental considerations into our supplier assessment processes. A key milestone in our sustainability journey was setting a target to have 100% of new suppliers sign our Supplier Code of Conduct, a goal we are proud to have successfully achieved. This commitment reflects our intent to align all supply partners with our values on environmental protection, human rights, ethics, and compliance.

Financial Year	Number of Suppliers Assessed	% of Suppliers Assessed	Environmental Violations Identified
FY25	221	100%	0
FY24	183	100%	0
FY23	303	100%	0

## Green Supply Chain Management (GSCM) Scorecard

At the core of our supplier evaluation framework lies the GSCM scorecard. This tool plays a pivotal role in driving accountability and performance by evaluating supply partners against a defined set of environmental criteria. From onboarding to ongoing monitoring, all supply partners are measured on their alignment with our environmental goals such as green certifications, waste reduction practices, and adoption of sustainable materials and processes.

The supply partner onboarding process includes a comprehensive GSCM questionnaire and mandates agreement to our Supplier Code of Conduct, which outlines expectations around environmental performance and ethical operations. Moreover, all Purchase Order (PO) terms and conditions explicitly reinforce our sustainability requirements, making

environmental responsibility a non-negotiable part of our procurement agreements. Through this structured approach, we ensure that both new and existing supply partners are fully aligned with our sustainability agenda, and that they are equipped to continuously improve their environmental performance.



**63%** of supply partners trained on GSCM in FY25 compared to 50% in FY24.

## **Our Impact**

## Sustainable **Procurement**

**67%** of spend with Indian suppliers

**54%** spend with diverse suppliers (MSME, womenowned)

25% spend on recyclable packaging

## **Supplier Engagement**

100% suppliers signed Code of Conduct

100% covered by CSR assessments

56 supply partners rated by **EcoVadis** 

## **Green Logistics & Resource Efficiency**

vehicles

458 kg of plastic packaging recycled

of chemicals recycled internally

#### **Green Procurement Framework**

Aragen launched its first structured green procurement framework to include sustainability in its supply chain and enable more informed, environmentally responsible procurement decisions. Recognizing the growing need for ethical and sustainable sourcing, Aragen developed a green procurement framework, which was subsequently integrated into its digital procurement system, SAP Ariba, ensuring sustainability considerations are embedded right from supply partner onboarding to final selection.

An in-depth analysis of procurement data from FY FY22 to FY24 identified four key material categories: Chemicals (39%), Laboratory Equipment (18.2%), Civil (7.9%), and Consumables (7.7%), which together represented 72% of Aragen's total procurement spend. Within these categories, supply partners were prioritized based on spend concentration (e.g., top 25 chemical supply partners covering 50% of that category's spend), forming the basis for targeted sustainability evaluation.

The green procurement framework introduced evaluation criteria focused on global certifications, environmental product declarations (EPD), sustainability disclosures, and ethical sourcing practices. These were integrated into vendor quotation templates during onboarding, enabling early-stage assessment of supply partners on a scale from "green product" to "non-conscious buying. Our green procurement framework incorporates a tiered evaluation structure: Core and Transition levels based on internationally recognized standards such as ISO 14001, ISO 50001, ISO 14064, ISO 20400, EPD (Environmental Product Declarations), and life cycle assessments (LCA).



This framework now plays a critical role in guiding supply partners selection, ensuring that procurement decisions are aligned with Aragen's sustainability objectives and helping build a responsible, transparent, and future-ready supply chain.











Strategy

















12% deliveries via EV/CNG

₹931 lakhs

## **Powering Local Supply**

We continue to prioritize local sourcing across its key operational hubs: Hyderabad, Pune, Bengaluru, and Visakhapatnam. Local procurement is defined as sourcing within a 250 km radius from the delivery location, supporting regional economies and reducing the environmental footprint of our supply chain.

The table below summarizes the organization's performance on local supplier engagement over the past three financial years:

Percentage of Budget	FY25	FY24	FY23
Percentage of amount spent on local suppliers (<250 km)	42%	41%	43%

To enhance the capacity of local and small supply partners, we conduct bi-annual supply partner trainings sessions covering ESG topics and digital initiatives. In FY25, nearly 67% of our procurement spend was directed toward local suppliers, demonstrating our commitment to supporting regional economies and cultivating long-term, sustainable partnerships. We have used DHL GoGreen Plus Low Emission Transportation Services which reduced our Weight-to-Weight emissions by 83.07% in CY 2024

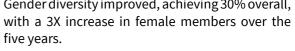


## **Performance and Recognitions**

- Achieved 85% Green Score in FY25
- Ordered Value increased by 25 % on YOY and Line items increased by 21 % on YOY
- 40 Audits faced and responded during FY25
- 2,300+ training hours completed in FY25 as against 1,900 + training hours in FY24. Total YOY 21% improvement
- ARISE supply partner training completed for the key suppliers (350+ supply partners trained on green supply chain and sustainability)
- · Aragen supply partner training acknowledged as successful case study in SPP Champion (Sustainable Procurement Pledge) sponsored by World Business Council for Sustainable Development (WBCSD), Pfizer, AZ & Global Pharma Organization.

 Gender diversity improved, achieving 30% overall, five years.









Our Business

Risk

Management

















Annexure



- Overall savings is 9.3% (103Cr); Savings is 11.4% in new items (against lowest quote) & 6.9% in repeat items (Vs FY24 weighted average price)



# **ANNEXURE**

## **Abbreviations**

Abbreviations	Meaning
API	Active Pharmaceutical Ingredients
BE	Business Excellence
BN	Billion
CDMO	Contract Development and Manufacturing Organization
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CNG	Compressed Natural Gas
CO2	Carbon dioxide
CO2e	Carbon dioxide equivalent
CSR	Corporate Social Responsibility
DJSI	Dow Jones Sustainability Indices
EBIDTA	Earnings Before Interest, Tax, Depreciation and Amortization
EHS	Environment Health & Safety
ERP	Enterprise Resource Planning
ESG	Environment Social Governance
ESI	Employee State Insurance
ETP	Effluent Treatment Plant
EV	Electric Vehicle
FY	Financial Year
GHG	Green House Gases
GMP	Good Manufacturing Practice
GRI	Global Reporting Initiative
HAZOP	Hazard and Operability Study
HIRA	Hazard Identification and Risk Assessment
ISO	International Standard Organization
KPI	Key Performance Indicators
LTI	Lost Time Injury
MSDS	Material Safety Data Sheet
MT	Metric Tons
MTCO2e	Metric tons of carbon dioxide equivalent
MW	Mega Watt
NGO	Non-Governmental Organization
OE	Operational Excellence
OHS	Occupational Health & Safety
PAT	Profit After Tax
PF	Provident Fund
POSH	Prevention of Sexual Harassment
QA	Quality Assurance
R&D	Research & Development
SBTi	Science Based Targets initiative
SCM	Supply Chain Management
SDG	Sustainable Development Goals
SOP	Standard Operating Procedure
UoM	Unit of Measurement
#	Number

## **ESG Dashboard**

S.No	Key Performance Indicators	UoM	FY23	FY24	FY25
1	# of employees	Nos	4,205	4,018	4,455
Enviro	nment				
2	Total energy consumption (Including solar)	KWh	5,35,84,673	5,60,56,532	6,45,61,895
3	Total renewable energy consumption	KWh	67,97,725	70,97,575	66,09,850
4	Total Scope 1 GHG emissions	MTCO2e	9,574	5,972	7,636
5	Total Scope 2 GHG emissions	MTCO2e	37,600	34,544	42,130
6	Total Scope 3 GHG emissions	MTCO2e	55,072	40,817	47,682.54
7	Scope 3, C1: Purchased goods and services	MTCO2e	31,376	22,865	21,922
8	Scope 3 - C2: Capital goods	MTCO2e	5,829	3,372	3,944
9	Scope 3 - C3: Fuel and energy related	MTCO2e	10,893	7,604	12,973.68
10	Scope 3 - C4: Upstream transportation and distribution	MTCO2e	634	484	1,643.32
11	Scope 3 - C5: Waste generation in operation	MTCO2e	169	112	124
12	Scope 3 - C6: Business travel	MTCO2e	341	690	863.12
13	Scope 3 - C7: Employee commute	MTCO2e	2,470	2,470	2,620
14	Scope 3 - C8: Upstream leased assets	MTCO2e	6	7	7.7
15	Scope 3 - C9: Downstream transport and distribution	MTCO2e	730	992	1,008.78
16	Scope 3 - C10: Processing of sold products	MTCO2e	1,947	1,416	1,407
17	Scope 3 - C12: End of Life treatment of packaging	MTCO2e	677	805	1,169
18	Total water withdrawn	Kilo litres	2,47,752	1,88,203	2,15,971
19	% of sites covered under physical climate risk assessment	%	0	100	100
20	Total weight of waste	ton	5,687	5,181	6,414
21	Total weight of Hazardous waste recovered (recycled/reused/coprocessed)	ton	4,033	4,070	4,579
22	Total weight of hazardous waste	ton	4,327	4,152	4,653
23	Total weight of non-hazardous waste	ton	1,360	1,029	1,762
24	% of targeted employees trained on environmental issues	%	39	20	47















S.No	Key Performance Indicators	UoM	FY23	FY24	FY25
25	% of operational sites covered under environmental risk assessment	%	100	100	100
26	% of operating sites certfied with ISO 14001 certification	%	100	100	100
Biodiv	ersity				
27	% of sites covered under biodiversity assessment	%	0	0	0
28	Number of incidents reported wrt biodiversity loss due to operations	No	0	0	0
29	Number of critically endangered species used for drug testing	No	0	0	0
30	Total numbers of trees/plants available (inside and vicinity of the campus)	No	6,162	7,491	7,840
Labor	and Human Rights				
31	Stress-relieving active measures in place	Yes/No	Yes	Yes	Yes
32	% of all operational sites covered under employee health & safety risk assessment	%	100	100	100
33	Compensation for extra or atypical working hours paid	Yes/No	Yes	Yes	Yes
34	Additional days leave beyond standard vacation days granted	Yes/No	Yes	Yes	Yes
35	% of operational sites covered under human rights impact assessment	%	100	100	100
36	% of operating sites certified with ISO 45001 certification	%	100	100	100
37	% of employees represented in formal joint management-worker health and safety committees	%	100	100	100
38	% of employees covered by formally elected employee representatives	%	100	100	100
39	% of eligible employees received regular performance and career development reviews	%	100	100	100
40	% of employees received career or skill-	%	49	51	80
41	% of employees received training on preventing discrimination and human rights violation	%	100	100	100
42	Average hours of training provided per employee	#	25.6	18.2	25.9

S.No	Key Performance Indicators	UoM	FY23	FY24	FY25
43	Average unadjusted gender pay gap	%	21	19	19.8
44	% of employees from minority groups employed in organization	%	0	0	0
45	% of employees from minority groups in top executive position	%	0	0	0
46	% of women in the workforce	%	20.5	21.7	22.3
47	% of women in top executive position	%	12	9.4	10
48	% of women within the organization's board	%	12.5	12.5	12.5
49	% of employees with flexible or irregular work arrangements	%	100	100	100
50	% of employees offered health care coverage	%	100	100	100
51	Total hours worked company wide	#	11,950,300	12,105,654	12,402,635
52	Number of days lost due to injuries	#	0	0	0
53	Lost time injury (LTI) events	#	0	0	0
54	LTI frequency rate for direct workforce	#	0	0	0
55	LTI severity rate for direct workforce	#	0	0	0
Ethics	& Compliance				
56	% of employee trained on business ethics issues	%	100	100	100
57	Number of whistleblower reports received	#	0	0	0
58	Number of confirmed corruption incidents	#	0	0	0
59	Number of confirmed information security incidents	#	0	0	0
60	% of sites covered under internal business ethics risk assessment	%	0	0	0
61	% of sites covered under external business ethics risk assessment	%	100	100	100
62	Number of business partners who have undergone the third party anti-corruption due diligence-process	#	10	0	0
63	% of operating sites certified with anti corruption management system (ISO 37001)	%	0	0	0
64	% of operating sites certified with ISO 27001:2022	%	0	100	100

























130 | Aragen Life Sciences

S.No	Key Performance Indicators	UoM	FY23	FY24	FY25
65	% of employees who have undergone IT security	%	100	100	100
66	% of employee trained on whistleblower procedure	%	100	100	100
Sustai	nable Procurement				
67	% of procurement spend (within India)	%	72	74	67
68	% of targeted suppliers that have signed the supplier code of conduct	%	100	100	100
69	% of suppliers with contracts that include clauses on environmental, labor, and human rights requirements	%	100	100	100
70	% of targeted suppliers covered by a CSR assessment	%	100	100	100
71	Number of targeted suppliers that have gone through a CSR on- site audit	#	0	2	3
72	% of buyers trained on sustainable procurement	%	100	100	100
73	Number of suppliers rated by Eco Vadis sustainability assessment	#	41	46	56
74	% of spend delivery in EV/CNG vehicles	%	2	5	12
75	% of diverse suppliers on spend (MSME/Women Enterprise/ Minority owned)	%	48	45	54
76	% of spend on recyclable packaging	%	12	17	25
77	% spend on sustainable vendors	%	42	41	53
78	Packaging plastic accumulation in stores	Kg	456	402	458
79	Value of chemicals recycled internally	Lakh	918	804	931

## **GRI Index**

GRI Clause	Description	Section/ Chapter	UNGC Principles	Page No(s)
GRI 2: Ge	neral Disclosures 2021			
2-1	Organizational details	About the report & Our Business	-	5, 17
2-2	Entities included in the organization's sustainability reporting	About the report	-	5
2-3	Reporting period, frequency and contact point	About the report	-	5
2-4	Restatements of information	About the report	-	5
2-5	External assurance	Annexure	-	-
2-6	Activities, value chain and other business relationships	Our Business & Resilient supply chain	-	18, 117
2-7	Employees	Workforce	-	69 - 70
2-8	Workers who are not employees	Workforce	-	69 - 70
2-9	Governance structure and composition	Corporate Governance	-	29 - 30
2-10	Nomination and selection of the highest governance body	Corporate Governance	-	31 - 32
2-11	Chair of the highest governance body	Corporate Governance	-	30
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance	-	29 - 32
2-13	Delegation of responsibility for managing impacts	Corporate Governance	-	32
2-14	Role of the highest governance body in sustainability	Corporate Governance	-	32
2-15	Conflicts of interest	Corporate Governance	-	-
2-16	Communication of critical concerns	Corporate Governance	-	31
2-17	Collective knowledge of the highest governance body	Corporate Governance	-	31
2-18	Evaluation of the performance of the highest governance body	Corporate Governance	-	32
2-19	Remuneration policies	Workforce	-	-
2-20	Process to determine remuneration	Our Business	-	25
2-21	Annual total compensation ratio	Our Business	-	76
2-22	Statement on sustainable development strategy	Our Sustainability Strategy	-	44 - 45
2-23	Policy commitments	Workforce & Organization	-	77, 107
2-24	Embedding policy commitments	Workforce & Organization	-	77, 107
2-25	Processes to remediate negative impacts	Risk Management	-	36 - 38
2-26	Mechanisms for seeking advice and raising concerns	Workforce & Organization	10	77, 108

























Sustainability Report 2024-25 | 133 132 | Aragen Life Sciences

GRI Clause	Description	Section/ Chapter	UNGC Principles	Page No(s)
2-27	Compliance with laws and regulations	Organization	-	107
2-28	Membership associations	Our Business	-	28
2-29	Approach to stakeholder engagement	Risk management	-	40
2-30	Collective bargaining agreements	Organization	-	114
GRI 101:	Biodiversity 2024			
101-1	Policies to halt and reverse biodiversity loss	Planet	-	107
101-2	Management of biodiversity impacts	Planet	-	64, 65
101-3	Access and benefit-sharing	Planet	-	64, 65
101-4	Identification of biodiversity impacts	Planet	-	64, 65
101-5	Locations with biodiversity impacts	Planet	-	64, 65
101-6	Direct drivers of biodiversity loss	Planet	-	-
101-7	Changes to the state of biodiversity	Planet	-	-
101-8	Ecosystem services	Planet	-	-
GRI 201:	Economic Performance 2016			
201-1	Direct economic value generated and distributed	Our Business & Workforce	-	23
201-2	Financial implications and other risks and opportunities due to climate change	Our Business	-	39
201-3	Defined benefit plan obligations and other retirement plans	Our Business	-	23
201-4	Financial assistance received from government	Our Business	-	25
GRI 202:	Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Our Business & Workforce	-	25, 76
202-2	Proportion of senior management hired from the local community	Our Business	-	-
GRI 203:	Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	Our Business	-	14 - 15
203-2	Significant indirect economic impacts	Our Business	-	24
GRI 204:	Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	Resilient Supply Chain	-	126
GRI 205:	Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Organization	10	108
205-2	Communication and training about anti-corruption policies and procedures	Organization	10	108
205-3	Confirmed incidents of corruption and actions taken	Organization	10	108

GRI Clause	Description	Section/ Chapter	UNGC Principles	Page No(s)
GRI 206:	Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Organization	-	107
GRI 207:	Tax 2019			
207-1	Approach to tax	Our Business	-	24
207-2	Tax governance, control, and risk management	Our Business	-	24
207-3	Stakeholder engagement and management of concerns related to tax	Our Business	-	24
207-4	Country-by-country reporting	Our Business	-	-
GRI 302:	Energy 2016			
302-1	Energy consumption within the organization	Planet	7,8,9	52
302-2	Energy consumption outside of the organization	Planet	8	55
302-3	Energy intensity	Planet	7,8,9	54
302-4	Reduction of energy consumption	Planet	-	54
302-5	Reductions in energy requirements of products and services	Planet	-	54
GRI 303:	Water and Effluents 2018			
303-1	Interactions with water as a shared resource	Planet	7,8,9	57
303-2	Management of water discharge-related impacts	Planet	7,8,9	57, 58
303-3	Water withdrawal	Planet	7,8,9	57, 58
303-4	Water discharge	Planet	7,8,9	-
303-5	Water consumption	Planet	7,8,9	-
GRI 304:	Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Planet	7,8	64, 65
304-2	Significant impacts of activities, products and services on biodiversity	Planet	-	64, 65
304-3	Habitats protected or restored	Planet	-	64, 65
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Planet	-	64, 65
GRI 305:	Emissions 2016			
305-1	Direct (Scope 1) GHG Emissions	Planet	7,8	55
305-2	Energy Indirect (Scope 2) GHG Emissions	Planet	7,8	55
305-3	Other Indirect (Scope 3) GHG Emissions	Planet	7,8	55
305-4	GHG Emissions Intensity	Planet	8	56

























134 | Aragen Life Sciences Sustainability Report 2024-25 | 135

GRI Clause	Description	Section/ Chapter	UNGC Principles	Page No(s)
305-5	Reduction of GHG Emissions	Planet	7,8,9	54, 56
305-6	Emissions of Ozone Depleting Substances	Planet	7,8,9	67
305-7	Nitrogen Oxides, Sulfur Oxides and Other Significant Air Emissions	Planet	7,8,9	56
GRI 306:	Waste 2020			
306-1	Waste generation and significant wasterelated impacts	Planet	7,8,9	61
306-2	Management of significant waste- related impacts	Planet	7,8,9	61
306-3	Waste generated	Planet	7,8,9	62
306-4	Waste diverted from disposal	Planet	7,8,9	62 - 63
306-5	Waste directed to disposal	Planet	7,8,9	63
GRI 308:	Supplier Environmental Assessment 2	2016		
308-1	New suppliers that were screened using environmental criteria	Resilient Supply Chain	-	124
308-2	Negative environmental impacts in the supply chain and actions taken	Resilient Supply Chain	-	122 - 126
GRI 401:	Employment 2016			
401-1	New employee hires and employee turnover	Workforce	-	70 - 71
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Workforce	-	72 - 74
401-3	Parental leave	Workforce	-	78
GRI 402:	Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	Workforce	-	71
GRI 403:	Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Workforce	-	85
403-2	Hazard identification, risk assessment, and incident investigation	Workforce	-	86
403-3	Occupational health services	Workforce	-	-
403-4	Worker participation, consultation, and communication on occupational health and safety	Workforce	-	85, 89
403-5	Worker training on occupational health and safety	Workforce	-	88
403-6	Promotion of worker health	Workforce	-	85 - 88
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Workforce	-	97

GRI Clause	Description	Section/ Chapter	UNGC Principles	Page No(s)
403-8	Workers covered by an occupational health and safety management system	Workforce	-	85 - 86
403-9	Work-related injuries	Workforce	-	86 - 87
403-10	Work-related ill health	Workforce	-	87
GRI 404:	Training and Education 2016			
404-1	Average hours of training per year per employee	Workforce	-	79
404-2	Programs for upgrading employee skills and transition assistance programs	Workforce	-	80 - 81
404-3	Percentage of employees receiving regular performance and career development reviews	Workforce	-	82
GRI 405:	Diversity and Equal Opportunity 2016	õ		
405-1	Diversity of governance bodies and employees	Workforce	1,2,6	75, 76
405-2	Ratio of basic salary and remuneration of women to men	Workforce	1,2,6	76
GRI 406:	Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Workforce	-	77
GRI 407:	Freedom of Association and Collectiv	e Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Organization	3	114
GRI 408:	Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	ESG performance highlights & Organization	1,2,4	12, 115
GRI 409:	Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	ESG performance highlights & Organization	1,2,4	12, 115
GRI 410:	Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	Organization	1,2	115
GRI 411:	Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	Organization	-	114
GRI 413:	Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Community	-	91 - 93





Our Business





















136 | Aragen Life Sciences Sustainability Report 2024-25 | 137

GRI Clause	Description	Section/ Chapter	UNGC Principles	Page No(s)
413-2	Operations with significant actual and potential negative impacts on local communities	Community	-	-
GRI 414:	Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Resilient Supply chain	-	122
414-2	Negative social impacts in the supply chain and actions taken	Resilient Supply chain	-	-
GRI 415:	Public Policy 2016			
415-1	Political contributions	Organization	-	107
GRI 416:	Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	Community	-	109
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Community	-	110
GRI 417:	Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	Organization	-	107
417-2	Incidents of non-compliance concerning product and service information and labeling	Organization	-	108
417-3	Incidents of non-compliance concerning marketing communications	Organization	-	108
GRI 418:	Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Organization	-	112

#### **Restatement of information**

The financial data for 'Payment to providers of capital' in FY24 has been revised from ₹865.2 million to ₹866.2 million due to updated accounting inputs. This restatement ensures more accurate representation of dividend and interest payments. The revised figures are now updated on the page number 23 of this report.

## **Assurance Statement**



## **Independent Assurance Statement:**

#### Introduction:

CETIZION Verifica Private Ltd, (CV, We) has been entrusted by the management of Aragen Life Sciences Ltd. (the Company), to conduct independent "Limited" assurance of GRI Report, titled: Innovation in every molecule Sustainability in every action (the Report). All contractual contents for this assurance engagement rest entirely within the responsibility of Aragen Life Sciences Ltd. Our task was to give a fair and adequate judgement on the Aragen Life Sciences Ltd. GRI Report.

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

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

#### Assurance Standard:

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

#### Scope & Level of Assurance:

Our assurance engagement covers the following:

Aragen Life Sciences Ltd. ESG performance and according to disclosure on management approach (DMAs) covering Environment, Social and Governance (ESG) disclosures. The report covers all global operations of Aragen, including subsidiary (Intox Private Limited, Pune; Aragen Biologics Private Limited, Bengaluru and Aragen Bioscience, USA). The scope and boundary of the report cover all core business areas—Research &Development campuses in Nacharam, Mallapur in Hyderabad, Bengaluru, India, and manufacturing facilities, across India, and the United States.

#### Limitation:

The assurance engagement was carried out at Aragen Life Sciences Ltd. corporate office location in Hyderabad with representatives from manufacturing locations and hold focused group discussion with concerned employees. We have not observed any significant situations to limit our assurance activity. The verification was carried out based on the data and information provided by Aragen Life Sciences Ltd., assuming they are complete and true. We did not verify the reported financial data as same is verified by another third party. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

1



























138 | Aragen Life Sciences Sustainability Report 2024-25 | 139



#### **Assurance Methodology:**

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

Analytical methods and the performance of interviews as well as verification of data, done as random sampling, to verify and validate the correctness of reported data and contents in light of contractual agreement and the factual Aragen Life Sciences Ltd. ESG strategy & framework as mentioned in the report and available on company website. Our work included consultation with over 25 Aragen Life Sciences Ltd. representatives including ESG team, senior management and responsible employees. The consultations with external stakeholders were not carried out. The approach deemed to be appropriate for the purpose of assurance of the report since all data therein could be verified through original proofs, verified database entries.

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

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

# CETIZION Verifica has verified the below-mentioned GRI disclosures given in the Report:

S. No.	Disclosure	Description	Disclosed
1	General Disclosures	Disclosure 2-1 Organizational details	Yes
2		Disclosure 2-2 Entities included in the organization's sustainability reporting	Yes
3		Disclosure 2-3 Reporting period, frequency and contact point	Yes
4		Disclosure 2-4 Restatements of information	Yes
5		Disclosure 2-5 External assurance	Yes
6		Disclosure 2-6 Activities, value chain and other business relationships	Yes
7		Disclosure 2-7 Employees	Yes
8		Disclosure 2-8 Workers who are not employees	Yes
9		Disclosure 2-9 Governance structure and composition	Yes

2



10	Disclosure 2-10 Nomination and selection of the highest governance body	Yes
11	Disclosure 2-11 Chair of the highest governance body	Yes
12	Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts	Yes
13	Disclosure 2-13 Delegation of responsibility for managing impacts	Yes
14	Disclosure 2-14 Role of the highest governance body in sustainability reporting	Yes
15	Disclosure 2-15 Conflicts of interest	Yes
16	Disclosure 2-16 Communication of critical concerns	Yes
17	Disclosure 2-17 Collective knowledge of the highest governance body	Yes
18	Disclosure 2-18 Evaluation of the performance of the highest governance body	Yes
19	Disclosure 2-19 Remuneration policies	Yes
20	Disclosure 2-20 Process to determine remuneration	Yes
21	Disclosure 2-21 Annual total compensation ratio	Yes
22	Disclosure 2-22 Statement on sustainable development strategy	Yes
23	Disclosure 2-23 Policy commitments	Yes
24	Disclosure 2-24 Embedding policy commitments	Yes
25	Disclosure 2-25 Processes to remediate negative impacts	Yes
26	Disclosure 2-26 Mechanisms for seeking advice and raising concerns	Yes

3



























27		Disclosure 2-27 Compliance with laws and regulations	Yes
28		Disclosure 2-28 Membership associations	Yes
29		Disclosure 2-29 Approach to stakeholder engagement	Yes
30		Disclosure 2-30 Collective bargaining agreements	Yes
31	GRI 101: Biodiversity 2024	101-1: Policies to halt and reverse biodiversity loss	Yes
		101-2: Management of biodiversity impacts	Yes
		101-5: Locations with biodiversity impacts	Yes
		101-6: Direct drivers of biodiversity loss	Yes
		101-7: Changes to the state of biodiversity	Yes
		101-8: Ecosystem services	Yes
32	GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed	Yes
		201-2: Financial implications and other risks and opportunities due to climate change	Yes
		201-3: Defined benefit plan obligations and other retirement plans	Yes
		201-4: Financial assistance received from government	Yes
33	GRI 202: Market Presence 2016	202-1: Ratios of standard entry level wage by gender compared to local minimum wage	Yes
		202-2: Proportion of senior management hired from the local community	Yes
35	GRI 204: Procurement Practices 2016	204-1: Proportion of spending on local suppliers	Yes

4



36	GRI 205: Anti-corruption 2016	205-1: Operations assessed for risks related to corruption	Yes
		205-2: Communication and training about anti-corruption policies and procedures	Yes
		205-3: Confirmed incidents of corruption and actions taken	Yes
37	GRI 206: Anti-competitive Behavior 2016	206-1: Legal actions for anti- competitive behavior, anti-trust, and monopoly practices	Yes
38	GRI 207: Tax 2019	207-1: Approach to tax	Yes
		207-2: Tax governance, control, and risk management	Yes
		207-3: Stakeholder engagement and management of concerns related to tax	Yes
		207-4: Country-by-country reporting	Yes
40	GRI 302: Energy 2016	302-1: Energy consumption within the organization	Yes
		302-2: Energy consumption outside of the organization	Yes
		302-3: Energy intensity	Yes
		302-4: Reduction of energy consumption	Yes
		302-5: Reductions in energy requirements of products and services	Yes
41	GRI 303: Water and Effluents 2018	303-1: Interactions with water as a shared resource	Yes
		303-2: Management of water discharge-related impacts	Yes
		303-3: Water withdrawal	Yes
		303-4: Water discharge	Yes
		303-5: Water consumption	Yes
42	GRI 304: Biodiversity 2016	304-1: Operational sites owned, leased, managed in, or adjacent to, protected	Yes

5





<u>\$</u>\$}





















		areas and areas of high biodiversity value outside protected areas	
		304-2: Significant impacts of activities, products and services on biodiversity	Yes
		304-3: Habitats protected or restored	Yes
		304-4: IUCN Red List species and national conservation list species with habitats in areas affected by operations	Yes
43	GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG Emissions	Yes
		305-2: Energy Indirect (Scope 2) GHG Emissions	Yes
		305-3: Other Indirect (Scope 3) GHG Emissions	Yes
		305-4: GHG Emissions Intensity	Yes
		305-5: Reduction of GHG Emissions	Yes
		305-6: Emissions of Ozone Depleting Substances	Yes
		305-7: Nitrogen Oxides, Sulfur Oxides and PM and Other Significant Air Emissions	Yes
44	GRI 306: Effluents and Waste 2016	306-1: Waste generation and significant waste-related impacts	Yes
		306-2: Management of significant waste-related impacts	Yes
		306-3: Waste generated	Yes
		306-4: Waste diverted from disposal	Yes
		306-5: Waste directed to disposal	Yes
45	GRI 306: Waste 2020	306-3: Significant spills	Yes
46	GRI 308: Supplier Environmental Assessment 2016	308-1: New suppliers that were screened using environmental criteria	Yes
		308-2: Negative environmental impacts in the supply chain and actions taken	Yes

6

	CETIZION Verifica
V	Quality - Verified & Delivered

47	GRI 401: Employment 2016	401-1: New employee hires and employee turnover	Yes
		401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Yes
		401-3: Parental leave	Yes
48	GRI 402: Labor/Management Relations 2016	402-1: Minimum notice periods regarding operational changes	Yes
49	GRI 403: Occupational Health and Safety 2018	403-1: Occupational health and safety management system	Yes
		403-2: Hazard identification, risk assessment, and incident investigation	Yes
		403-3: Occupational health services	Yes
		403-4: Worker participation, consultation, and communication on occupational health and safety	Yes
		403-5: Worker training on occupational health and safety	Yes
		403-6: Promotion of worker health	Yes
		403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Yes
		403-8: Workers covered by an occupational health and safety management system	Yes
		403-9: Work-related injuries	Yes
		403-10: Work-related ill health	Yes
50	GRI 404: Training and Education 2016	404-1: Average hours of training per employee per year	Yes
		404-2: Programs for upgrading employee skills and transition assistance programs	Yes
		404-3: Percentage of employees receiving regular performance and career development reviews	Yes

7

























51	GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees	Yes
		405-2: Ratio of basic salary and remuneration of women to men	Yes
52	GRI 406: Non-discrimination 2016	406-1: Incidents of discrimination and corrective actions taken	Yes
53	GRI 407: Freedom of Association and Collective Bargaining 2016	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Yes
54	GRI 408: Child Labor 2016	408-1:Operations and suppliers at significant risk for incidents of child labor	Yes
55	GRI 409: Forced or Compulsory Labor 2016	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	Yes
56	GRI 410: Security Practices 2016	410-1: Security personnel trained in human rights policies or procedures	Yes
58	GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Yes
		413-2 Operations with significant actual and potential negative impacts on local communities	Yes
59	GRI 414: Supplier Social Assessment 2016	414-1: New suppliers that were screened using social criteria	Yes
		414-2: Negative social impacts in the supply chain and actions taken	Yes
61	GRI 416: Customer Health and Safety 2016	416-1: Assessment of the health and safety impacts of product and service categories	Yes
		416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	Yes
62	GRI 417: Marketing and Labeling 2016	417-1: Requirements for product and service information and labeling	Yes

2				
34		•		
	>	ε		



		417-2: Incidents of non-compliance concerning product and service information and labeling	Yes
		417-3: Incidents of non-compliance concerning marketing communications	Yes
63	GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Yes

#### Statement Of Independence and Competence

CETIZION Verifica affirms our independence from Aragen Life Sciences Ltd, being free from bias and conflicts of interest with the organization, its subsidiaries, and stakeholders. Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which provides a comprehensive framework that guides assurance practitioners in maintaining professional integrity, objectivity, and ethical conduct. The assurance team has the required competencies and experience to conduct this engagement.

#### Conclusion:

Based on our Limited assurance procedures performed and evidence obtained, subject to the limitations mentioned above, nothing has come to our attention that causes us to believe that the selected KPIs for the period Financial year 2024-2025(April 2024 ~ March 2025) has not been prepared, in all material respects, in accordance with the "Basis for Reporting" as appropriate. The Report includes statements and claims that reflects Aragen Life Sciences Ltd. achievements and challenges supported by documentary evidence and internal records.

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

CETIZION Verifica shall not bear any liability or responsibility to a third party for perception and decision about Aragen Life Sciences Ltd. based on this Limited Assurance Statement.





Business





Strategy





Workforce











9



For CETIZION Verifica Private Limited

Gangaa C SHARMA Lead Verifier Digitally signed by



GANGA CHARAN SHARMA

Signed Dated: 2025.07.28

13:30:00+05'30'

Suite 9, BSi Business Park

Plot No. H-140, Sector 63,

Noida, Uttar Pradesh 201301, INDIA

CETIZION Verifica assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant CETIZION Verifica entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

The English version of this Assurance Statement is the only valid version. CETIZION Verifica assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety.

Copyright © CETIZION Verifica Private Ltd

10





Our Business



Risk Management



Sustainability Strategy



Planet



Workforce



Organization



Supply Chain



