

## Environment, Social, Governance Position Statement

Aragen is a leading Contract Research, Development, Manufacturing Organization (CRDMO), servicing the global life sciences and allied industries such as pharmaceuticals, biopharma, animal health, agrochemical industries. Our service offerings include integrated drug discovery across small and large molecules, chemical development, formulations and analytical development and contract manufacturing.

### **Purpose:**

As a responsible organisation, Aragen is committed to providing a safe workplace and protecting the environment, our stewardship on sustainability is to provide an overview of our approach to managing Environment, Social & Governance (ESG) risks across our organisation so that we can continue to fulfil our safety, health, and environmental protection commitments, both internally and externally. The scope involves ESG comprehensively, inclusive of environmental sustainability, occupational health and wellbeing, environmental protection and compliance, occupational hygiene and safety of all workers and visitors.

### **Scope:**

This is applicable to all the Aragen manufacturing, research facilities, subsidiaries and value chain.

### **Objectives:**

#### **Environmental:**

- Protecting the environment by preventing air, water, soil pollution and minimising adverse impacts on the environment
- Reduce greenhouse gas emissions and minimise the organisations carbon footprint to combat climate change
- Enhance energy efficiency and promote the use of renewable energy sources to minimise energy consumption and dependence on fossil fuels
- Optimize water consumption and manage water resources responsibly to support sustainable water management
- Minimize waste generation and promote waste diversion through recycling and responsible waste management practices
- Preserve and enhance biodiversity within and around the organization's operational areas
- To integrate sustainability considerations in the life cycle of our products & services through institutionalising innovation and adopting global best practices
- Adopt and integrate material conservation, recycling and recyclability concepts in our operations and processes
- Incorporate concepts of green buildings when designing our facilities and measures the sustainability performance of buildings using rating systems

**Social:**

- Aragen is committed to ensuring that no instance of child labour, forced labour, slavery or human trafficking occurs in any of its operations and establishments, and supply chain
- Aragen recognizes and respects the right of its employees to exercise freedom of association in matters related to their employment, as per the policies and procedures of the company, without them having any apprehension
- Aragen encourages an inclusive work environment, wherein diversity is valued, and equal opportunities are available to all the employees
- Maintain safe working conditions and fair labor standards, and protecting workers from discrimination, harassment and abuse
- Preventing work related injury & ill health by eliminating hazards and reducing Occupational Health & Safety (OH&S) risks
- The company is committed to maintaining a workplace that is free from violence, harassment, intimidation and other unsafe or disruptive conditions for all employees, contractors, and stakeholders
- Promote diversity, equity and inclusion in the organisation
- Aragen committed to conduct trainings to strengthen in-house talent both on technical and behavioural skills. The company ensures that employees have right to pursue any career growth opportunity
- Collaborate with the local communities towards social interventions in the identified thrust areas

**Governance:**

- Ensuring compliance with legal and other requirements
- Ensure implementation of business code of conduct & ethics policy
- Ensure implementation of Anti-Bribery And Corruption policy (ABAC policy)
- Implementation of whistle-blower policy as a mechanism for employees to report any unethical practices
- Committed to develop and implement information security management system in order to protect organisation's information assets from various internal and external threats

**Supply chain management:**

- Encourage our suppliers to manage all ESG aspect in their operations actively and to continually improve their performance
- Reduce the indirect environmental and social impacts arising from the purchase of goods and services from third party supplier to the greatest extent possible
- Committed to assess the risks regularly related to Environment, Social & Governance in supply chain and collaborate with business partners to mitigate them through a formal risk management program

**Targets:**

1. Reduce absolute scope 1, 2 and 3 GHG emissions 50.4% by FY2033 from a FY2023 base year
2. Reduce absolute scope 1, 2 and 3 GHG emissions 90% by FY2050 from a FY2023 base year
3. Achieve water neutrality by 2035
4. Achieve 25% diversity in our workforce by 2026



5. Achieve zero hazardous waste to-landfill organisation status by 2025
6. Reduce 20% reduction of air pollution caused by SOX, NOX & PM by 2025 as compared to base year 2021
7. Conduct a comprehensive biodiversity assessment and implement conservation measures to protect endangered species and habitats by 2025
8. Achieve zero lost-time injuries (LTIR) and occupational illnesses and Total Recordable Incident Rate (TRIR)
9. Achieve average 25 hours of training per employee per year till FY26
10. Committed to improve working conditions by continuing to participate in Great Place To Work (GPTW) survey every year and maintain the trust index score above 80%
11. Continue implementing standing orders agreement at all the applicable sites of Aragen respecting freedom of association and collective bargaining rights of employees bi-annually
12. Achieve zero confirmed incidents of code of conduct violation
13. Achieve zero confirmed incidents of corruption and bribery
14. Achieve zero confirmed information security incidents
15. Increase diverse suppliers on (MSME/Women Enterprise/Minority owned) spend basis to 60% by 2030
16. Increase sustainable vendors (based on top 80 % spend) to 50% by 2026
17. Achieving 90% of green supply chain score for FY25 for the organisation as per internal propriety score card
18. 100% of our supply partners establishing and conducting business cooperation with us must endorse and sign the Aragen's Supplier Code of Conduct from Jan 2025 onwards
19. 100% of key supply partners shall implement Environmental management system (ISO 14001 or equivalent, Health & safety system management system (ISO 45001), develop & implement their respective business ethics and human rights policy and undertake due diligence on human rights by FY27
20. 100% of key supply partners must achieve targets on reducing scope 1 and 2 emissions, reducing electricity consumption, increasing renewable energy and waste reduction in their operations by FY27
21. Invest 2% of annual profits in community development initiatives related to education, healthcare, and environment protection

### Governance & responsibilities:

<b>ERM committee</b>	Ensure that a system and framework is in place to address the ESG risks identified in the Enterprise Risk Management Plan
<b>Board CSR &amp; ESG committee</b>	Overview the objectives and targets wrt ESG risks
<b>Management – ESG committee</b>	Implement the action plan for objective and targets of ESG risks and monitor KPIs
<b>Line management</b>	The line management team is responsible for providing leadership and resources to implement the ESG objective effectively
<b>Employees &amp; contract workers</b>	All employees and contractors are accountable for following the requirement of this document on the shop floor

### Continuous improvement and review:

This document will be reviewed as and when required whenever there are any changes triggered by regulations and customers requirement. Otherwise, it will be reviewed every three years

Date: 28.06.2024



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Document release date: 18.10.2022

Next review date: 17.10.2025

First revision date: 28.06.2024