

Environment, Social, Governance (ESG) Policy

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:

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

Social:

- I. 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
- II. 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 any apprehension

- III. Aragen encourages an inclusive work environment, wherein diversity is valued, and equal opportunities are available to all the employees
- IV. Maintaining safe working conditions and fair labour standards, and protecting workers from discrimination, harassment and abuse
- V. Preventing work related injury & ill health by eliminating hazards and reducing Occupational Health & Safety (OH&S) risks
- VI. 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
- VII. Promoting diversity, equity and inclusion in the organisation
- VIII. Aragen is committed to conduct trainings to strengthen in-house talent both on technical and behavioural skills. The company ensures that employees have a right to pursue any career growth opportunity
- IX. Collaborate with the local communities towards social interventions in the identified thrust areas
- X. Safeguard employee health through comprehensive medical insurance coverage

Governance:

- I. Ensuring compliance with legal and other requirements
- II. Ensure implementation of business code of conduct & ethics policy
- III. Ensure implementation of Anti-Bribery and Corruption policy (ABAC policy)
- IV. Ensure implementation of policy on sexual harassment (Prevention, Prohibition and redressal) at workplace
- V. Implementation of whistle-blower policy as a mechanism for employees to report any unethical practices
- VI. 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:

- I. Encourage suppliers to manage all ESG aspect in their operations actively and to continually improve their performance
- II. Reduce the indirect environmental and social impacts arising from the purchase of goods and services from their Tier 1 & 2 suppliers to the greatest extent possible
- III. Committed to assess the risks regularly related to Environment, Social & Governance in supply chain and collaborate with supplier partners to mitigate them through a formal risk management program in our value chain

Targets:

Aragen has established quantitative targets aligned with its five-year maturity model strategy to support the continual improvement of its ESG Maturity. To ensure consistency in performance measurement, a common baseline year financial year (FY-2026) and target year (FY-2031) are applied across all targets. Where a target follows a different timeline, the applicable baseline year and target year are specified for that target.

Theme	Material Topic	Description of Target
Environment	Climate Action/ Climate Change	<ol style="list-style-type: none"> 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 Net Zero target by 2050.
	Energy Efficiency and Management	<ol style="list-style-type: none"> 4. Increase the share of renewable energy in the total energy mix to 75% 5. Phasing out of fossil fuel in boilers (coal) by 2027 6. Reduce electrical energy intensity (kWh/INR Mn) by 5%
	Waste & Water Management	<ol style="list-style-type: none"> 7. Achieve water neutrality by FY2035 8. Reduce freshwater withdrawal intensity (kL/INR Mn) by 5% 9. Maintain "Zero hazardous waste to-landfill organisation" status
	Environmental Management and Compliance	<ol style="list-style-type: none"> 10. Reduce 20% of air pollution load caused by SOX, NOX & PM
	Biodiversity	<ol style="list-style-type: none"> 11. Conduct a comprehensive biodiversity assessment and implement conservation measures to protect endangered species and habitats
	Product stewardship	<ol style="list-style-type: none"> 12. Reduce process mass intensity (PMI) for commercial products by 10%
Social	Community Engagement and Development	<ol style="list-style-type: none"> 13. Invest 2% of annual profits in community development initiatives related to education, healthcare, and environment protection
	Customer Management	<ol style="list-style-type: none"> 14. Achieve net promotor score of 60 from the existing score of 46 (2025) in annual customer satisfaction survey 15. Achieve 100% compliance with customer's health, safety, and product information requirements 16. Maintain zero product recalls, annually
	Diversity, Equity, and Inclusion	<ol style="list-style-type: none"> 17. Achieve 25% gender diversity in workforce by CY 2026
	Employee Wellbeing, Health & Safety	<ol style="list-style-type: none"> 18. Reduce the Total Recordable Incident Rate (TRIR) by 10%
	Human Capital Management	<ol style="list-style-type: none"> 19. Increase employee satisfaction score to 92% through annual employee engagement assessments and improvement initiatives 20. Maintain 100% living wage coverage for all permanent employees 21. Maintain zero confirmed cases of forced labor, child labor, and workplace discrimination & harassment

Theme	Material Topic	Description of Target
	Stakeholder Engagement	22. Engage 100% of identified key stakeholder groups annually and ensure that all material stakeholder concerns are evaluated and addressed through documented action plans 23. Maintain zero incidents of retaliation related to grievance or whistle blower reporting
	Talent Attraction and Retention	24. Achieving an average of 50 hours of training per employee per year
Governance	Business ethics	25. Achieve zero confirmed incidents of code of conduct violation 26. Achieve zero confirmed incidents of corruption and bribery
	Data Privacy and Security	27. Achieve zero confirmed information security incidents
	SCM	28. Achieve 70% of procurement spend sourced from micro, small and medium enterprises (MSME) 29. 100% of critical suppliers to acknowledge and comply with the Supplier Code of Conduct 30. 50% of procurement spend sourced from suppliers within 250 km radius (hyper local sourcing) 31. 20% of total domestic shipments using EV/CNG/Hydrogen vehicles
		32. Achieve 100% ESG assessment for critical supply partners

Governance & responsibilities:

ERM committee	Ensure that a system and framework is in place to address the ESG risks identified in the Enterprise Risk Management Plan
Board CSR & ESG committee	Overview the objectives and targets wrt ESG risks
Line management	The line management team is responsible for providing leadership and resources to implement the ESG objectives effectively
Permanent & contract employees	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 whenever there are changes in regulations or customer requirements, major changes in the organisation, or otherwise every five years.



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