

SUSTAINABILITY REPORT 2021



PHARMALEX

CONFIDENCE BEYOND COMPLIANCE

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ABOUT US



PharmaLex is a leading provider of specialized services for the pharmaceutical, biotechnology and medical technology industries. We offer solutions in the areas of development consulting, regulatory affairs, quality management and compliance, pharmacovigilance, epidemiology and risk management worldwide.

We provide guidance from early strategic-planning activities and non-clinical requirements through clinical development, regulatory submission processes and post approval and maintenance post launch activities. Our experts use technology-enabled solutions to support clients through the entire product lifecycle. We deliver exceptional results by going above and beyond standards to deliver tailor-made solutions across the world. We help our clients go beyond regulatory compliance to capitalize on greater efficiencies, to deliver business value and to achieve growth – with confidence.



▶ ABOUT THE REPORT

We hereby showcase our commitment to sustainability with the release of our first sustainability report. The report marks the start of our sustainability journey and includes our performance disclosure for calendar year 2021 on most material environment, social and governance topics and future commitments. Moreover, by means of this report, we intend to inform our stakeholders about our efforts toward integration of sustainability across our business globally.

01



REPORTING FRAMEWORK

This report has been prepared in accordance with Global Reporting Initiative Standards by applying the core option to communicate transparently to both internal and external stakeholders our non-financial performance.

02



ASSURANCE STATEMENT

Our sustainability disclosures are reviewed and verified internally by cross-functional teams, and we external assurance to give further confidence to our stakeholders with regard to the authenticity of the information presented in the report. Ernst & Young Associates LLP has provided independent assurance of the report and its contents by following the International Federation of Accountants' International Standard on Assurance Engagements 3000 for assurance of non-financial information as set forth in the assurance statement included in this report.

03



APPROACH TO MATERIALITY

We have conducted a materiality assessment to understand the issues which matters most for us and the impact it has on our internal and external stakeholders

REPORTING BOUNDARY

PharmaLex is committed to reporting on sustainability performance across the business and the extended value chain. Our reporting covers the period January 1st, 2021, to December 31st, 2021, unless otherwise stated.

The environmental performance data in our sustainability report cover the below-mentioned facilities unless otherwise stated.

OUR REPORTING BOUNDARY

Country	Facility name
Belgium	Mont-Saint-Guibert
Bulgaria	Sofia
Denmark	Hørsholm
France	Neuilly
Germany	Berlin
	Friedrichsdorf
	Mannheim
India	Noida
Ireland	Dublin
Italy	Milan
Norway	Oslo
Puerto Rico	Puerto Rico
Spain	Coso 98-100
	Madrid - Edificio Iberia Mart I
	Madrid - Ourense
	Zaragoza
Sweden	Göteborg / Stockholm
United Kingdom	Bourne End
	Cornwall
United States	Frederick, Maryland
	Burlington, Massachusetts

2021 HIGHLIGHTS

25%

Energy through renewable sources

1,541 metric tonnes of carbon dioxide equivalent

Total carbon footprint



~65%

Women in workforce

5,100+

Total hours of training

0

Human-rights-violation cases

1,000+

Clients served

25+

Suppliers assessed with Supplier Code of Conduct



► FROM THE CEO's DESK



Dear Readers,

PharmaLex believes that embedding sustainability into our business is beneficial to us and to our customers, partners, employees and suppliers. From our own sustainability commitments as a service provider for the healthcare industry to the impacts we have – with our clients – on the health and well-being of society, we are creating positive footprints for a healthier and sustainable future.

Sustainable development is a key need for humanity, and the world needs a growth story that promotes inclusiveness, care, innovation and a long-lasting commitment to sustainability.

The pandemic caused by COVID-19 continues to represent the greatest threat to global public health and economies in the 21st century. To date, more than 500 million people have been infected, and more than 6 million have died. Dozens of vaccines have become authorized or approved around the globe, PharmaLex and our Biopharma Excellence team having been involved in the development of almost all of them. Across the company's global organization, our vaccine teams have made important contributions to the fight against the pandemic by supporting vaccine development, registration and policy.

The fight against the COVID-19 pandemic is important; there is consensus on that fact. But there are also other disorders that have been known for a long time and that have

either no or inadequate treatment options. PharmaLex is at the forefront in supporting the development of treatments for unmet medical needs now and will be in the future. Our teams are engaged in the commercialization of major service solutions to support the growth of such important offerings and to ensure that our clients – whether Big Pharma or biotech innovators or local or global health initiatives – have access to the deep domain knowledge and expertise our teams provide. And we can be proud of our achievements in the development of healthcare products, which are at the forefront of improving health outcomes for patients worldwide.

Reflection on the company's changes and achievements of 2021 makes it safe to say that we have continued on our journey toward sustainable growth and development despite the prolonged period of remote work and the realities dictated by the pandemic. Other companies and other teams have joined our group, thereby expanding our services and our footprint in Australia, Spain, Portugal, France, the United States, the UK, India and Poland.

I am excited to set forth the key pillars of our concept of working together.

- **We really love what we do!**
 - **We are diverse, unified and strong.**
 - **We foster growth by creating a positive, collaborative environment in which every individual can contribute and develop further. This is what makes us tick.**
-

To achieve our vision, we will maintain our objective to become a fully integrated global service provider for the healthcare industry through increased collaborations and by achievement of utmost operational excellence. We will focus on people and culture as key to helping us become stronger together and to staying focused on achieving our goals.

Corporate social responsibility and sustainability are crucial realms for us. They imply not only how we manage our footprint but also how we organize our daily routines. It's all about the mindset we adopt. As a global company, PharmaLex cherishes and values our planet Earth, which entails taking a mindful approach to the resources and materials we use and making regular assessments

of the emissions we produce. To those ends, we have undertaken various initiatives such as environmental protection, human rights protection and support of diversity and inclusion.

We acknowledge that our activity has impacts that go well beyond financial performance. To build a sustainable business, we must manage both stakeholder and societal expectations and decide which issues are material. In order to determine those issues, we conducted a companywide materiality assessment that involved three steps.

- Identification of material topics
- Stakeholder consultation
- Prioritization of material topics

Both internal and external stakeholders identified two topics as most material for PharmaLex and our stakeholders: employee engagement and digital innovation. There are also other topics under the environmental, social and governance umbrella like energy, greenhouse gas emissions, business ethics and data privacy. We have already started including those topics in our core business strategy, and going forward, we will continue monitoring our performance against those material issues.

To date this year, we have drawn 25% of our energy needs from renewable sources. We have also created systems to capture and report our carbon emissions. Our global environment and climate-change policy lays down the key principles we follow and the key performance indicators we report in order to achieve a greener footprint.

Two of our facilities – PharmaLex Cornwall in the UK and the PharmaLex office in Bulgaria – are now operating completely on renewable energy. We also assessed 26 of our global suppliers on various sustainability criteria such as environment, human rights and ethics. We continue working with Treedom in support of afforestation activities and have removed 292 tons of carbon dioxide from the atmosphere by supporting Treedom.

PharmaLex firmly believes that employees are our biggest assets, and the company operates with intentions of nurture and care toward them. This year we provided 6,000 hours of training for our management and non-management staffs, and our employee engagement score remains at a solid 80%. We continue caring for employees by providing them with important health and safety training and by organizing various activities such as yoga, meditation and mental-wellness sessions.

Our global health and safety policy guides our strategy toward making the company a safe workplace, and this year we conducted a comprehensive risk assessment of all of our major facilities. The assessment has helped us in designing mitigation measures and taking proactive steps to avoid major accidents.

We are supporting Plan International in Vietnam, where the organization is creating safe schools in Hanoi for children. Through that project, Plan promotes sports activities for girls and boys at 20 secondary schools in the Ba Vi and Ha Dong districts of the Hanoi metropolitan area. By playing various ball sports, the children strengthen their self-confidence. At the same time, they learn to stand up against violence, bullying and discrimination; and issues of equality, child protection and non-violence are addressed. Around 18,000 lower-secondary-school students benefit from the activities, as do 10,000 children who will be attending secondary school in the next two years.

For me, leading by example is a principle, and I am personally building a primary school in an underdeveloped area close to Antsirabe, Madagascar. Madagascar ranks 164th of the 180 countries in the Human Development Index. The land for the school has been acquired, and construction of the first school buildings will start in 2022.

We are proud to report that at PharmaLex, women continue to lead in numbers by their representing more than 64% of the workforce and with a more than 50% split between men and women in management positions. We are also in the process of making our offices mobility accessible because we plan to hire more people with disabilities.

I wish to add that with a focus on the future and with our commitment to sustainability, PharmaLex is on its way to building a sustainable future for all stakeholders. Our organization has been, currently is and in the future will be on its way to becoming the globally leading, best-functioning, most closely integrated technology-enabled solutions provider across the value chain of the highly regulated pharmaceutical, biotechnology and medical device industries! And the high level of enthusiasm for maintaining our current growth momentum is clearly palpable within the organization every day.



Thomas Dobmeyer, MD
Chief Executive officer

► MESSAGE FROM CSR TEAM



we have opportunities to reduce our carbon footprint.

This year we successfully carried out a comprehensive health and safety risk assessment for all our major facilities across the globe. We have identified the areas where mitigation for health and safety risk is required, and we are hoping that these efforts will help us in creating a safe workplace for all our employees.

We believe that the Sustainable Development Goals (SDGs) established by the United Nations are the roadmap towards a sustainable future for all and aligning business and sustainability strategy with the SDGs can have multiple benefits for a business, including increased resilience, profit margins, employee retention and stakeholder satisfaction.

Our goal at PharmaLex is to build a sustainable business that creates value for all its stakeholders, cares for its employees and environment, promotes diversity and inclusion and is resilient to sudden changes.

The process for integrating sustainability in our company starts with focus on governance for sustainability - Our Board receives regular updates and provides feedback to Global CSR and Sustainability team on sustainability efforts of the company. Policies have been put in place on topics like environmental and climate change, health and safety, codes of conduct for employees and suppliers to establish structure, procedures and roadmaps around sustainability.

Our emphasis on training and awareness on topics such as environmental health and safety, diversity and inclusion, business ethics, and sustainable supply chain management has been in line with our desire for all employees to act responsibly and contribute towards society's overall well-being.

With a focus on future regulations and commitment towards climate change, we have created data management systems to successfully measure our scope 1, 2, and 3 emissions, which is part of this report. This effort is also helping us in planning for a low-carbon future as we have identified the areas where

This year we have aligned our efforts with the United Nations Sustainable development goals (SDGs). We wish to contribute more towards different SDGs, and we have increased our partnerships with non-profits in different parts of the world to boost our efforts in areas of afforestation, healthcare and child development.

We will continue to identify the needs and partner with organisations wherever feasible in the future to solidify our commitment towards sustainable development.

We remain focused on developing a responsible business and delivering the best combination of growth and sustainability to all our stakeholders.

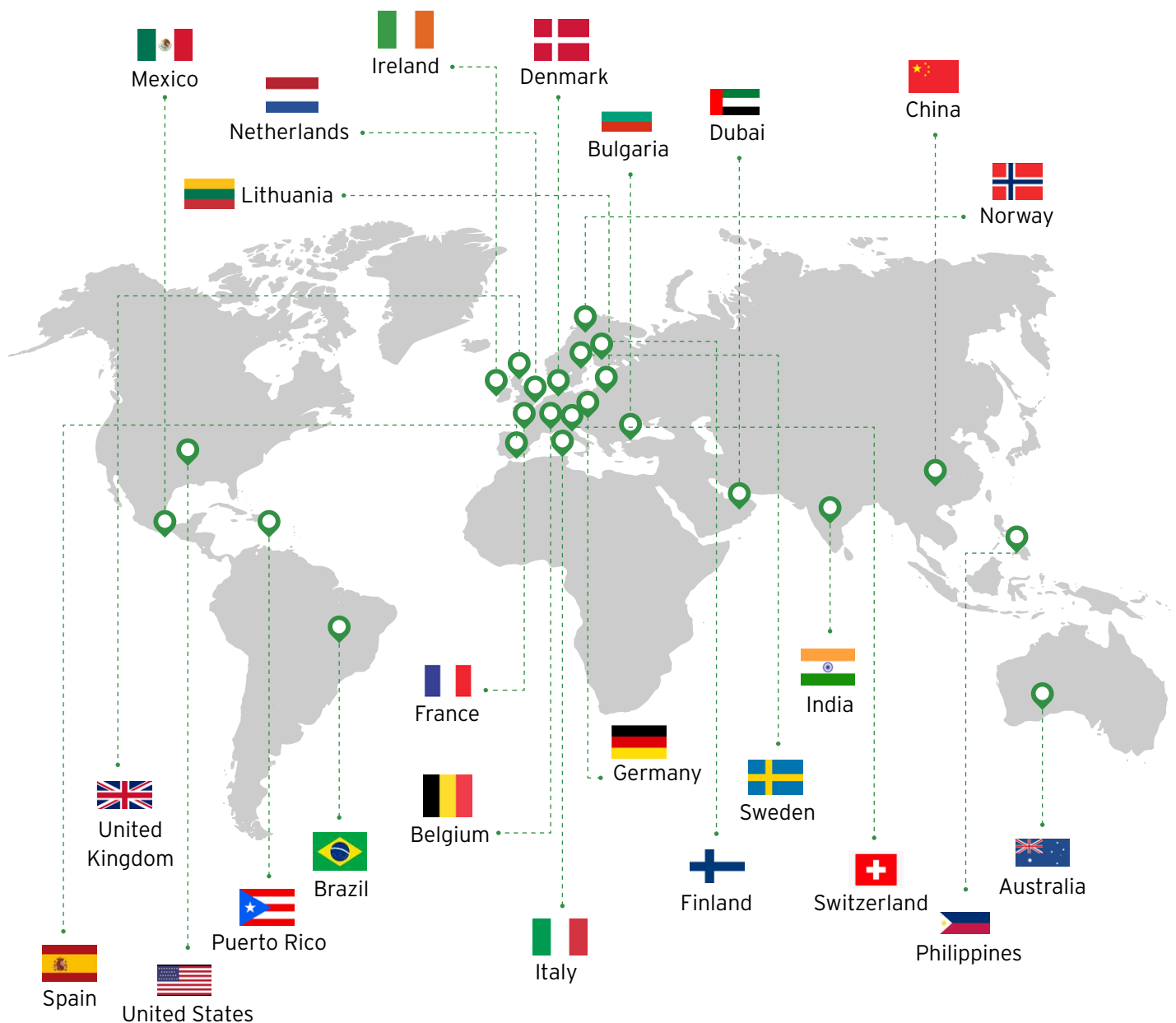
To conclude, I want to reiterate our commitment to sustainability and corporate citizenship.

I want to offer my thanks to every one of our employees, leadership team, and partners for contributing and teaming up on this journey. We look forward to your views and suggestions.

Aman Srivastava

Global CSR Team, PharmaLex

OUR GLOBAL FOOTPRINT



24
Countries

45
Offices

1548
Employees

1610
Clients

Global footprint data as on 31st December, 2021

GOING FORWARD TOGETHER IN THE FIGHT AGAINST COVID-19

Considering the current SARS-CoV-2 pandemic and the rapidly evolving situation, fast, flexible and innovative solutions are of critical importance. Since the pandemic began, PharmaLex has sought ways to harness our scientific expertise and technology in order to make a difference. Together with our partners we are shaping the regulatory landscape.

Our Biopharma Excellence team has become the global go-to resource for vaccine manufacturers worldwide. The team consists of virologists, vaccinologists, a molecular biologist and an experienced former regulator. The team has developed regulatory concepts and proposed several innovative solutions that were subsequently implemented successfully. The solutions include regulatory implementations for mRNA technologies and the clinical development of SARS-CoV-2 vaccines for companies that came later to clinical development during the pandemic.



SPOTLIGHT 2021: VACCINATION EQUITY FOR AFRICA

As part of an effort to mitigate the dependency of many African countries on a small number of vaccine-producing countries, was tasked and supported by Mastercard Foundation to prepare a white book. The white book aims to introduce concepts the set forth how to localize vaccine manufacture in Africa, a concept Biopharma Excellence named *Reg and Tech Transfer*.

HIGHLIGHTS

01

Acceptance of the concept by Pan-African organizations

02

Invitation to regulatory work stream by PAV med

03

Tasked to coordinate multiple stakeholders in a collaborative effort to implement the manufacture of BioNTech's Comirnaty vaccine in Africa



STAKEHOLDER ENGAGEMENT

At PharmaLex, we believe that one of the key drivers of long-term business sustainability is represented by strong business relationships with our stakeholders. Our stakeholders have contributed to who we are today. Engaging with them gives us valuable insights into how we can positively affect them. In other words, feedback from our valued stakeholders helps us measure our progress in the pursuit of long-term value creation. We regularly engage with our stakeholders and

assess their feedback so we can make sure we are addressing their concerns and meeting their expectations as we strive toward excellence.

We engage with our stakeholders through various formal and informal platforms. We prioritize stakeholders based on influence and impact by a stakeholder group – or even influence by an individual – on business operations. Our stakeholder engagement framework is illustrated below.

Stakeholder group	Mode of engagement	Frequency of engagement	Key topics of discussion
Clients	• Client satisfaction surveys	Ongoing	• New solutions
	• International conferences	Ongoing	• Digitalization and innovation • Service and quality excellence • Sustainable and responsible operations
Employees	• Training and development programs	Ongoing	• Leadership and purpose
	• Employee satisfaction survey	Annually	• High-quality engagements
	• Town halls	Ongoing	• Career development and upskilling
	• Employee engagement activities	Ongoing	• Reward and recognition • Employee well-being initiatives
Local communities	• Employee voluntarism	Ongoing	• Contribution to the United Nations' Sustainable Development Goals
	• Community-development programs	Ongoing	• Fostering of environmental sustainability • Development of the next-generation workforce for employment and wealth generation

► MATERIALITY

Identifying our primary stakeholder groups and engaging with them to define our most material topics are critical to ensuring that our strategy, our work and our reporting cover the right topics in the right ways. Doing so also enables us to focus resources and investment on activities through which we can drive the greatest impact. Our materiality assessment is based on trends analysis and stakeholder input. In 2021, we solicited input from a diverse group of external and internal stakeholders: our leadership team, our employees, our clients, our suppliers, nongovernmental organizations and our future talent.

We performed a materiality analysis to identify the various topics related to our economic, environmental and social responsibility and to then arrange them in hierarchical order. Our approach was divided into three key steps as follows.



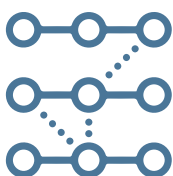
IDENTIFICATION OF MATERIAL TOPICS

- Mapped sector-specific Global Reporting Initiative and Sustainability Accounting Standards Board sustainability topics.
- Identified peer companies with similar offerings and listed sustainability topics that are material to their businesses.
- The list of topics was broadly grouped under the categories of Environmental, Social and Governance.



STAKEHOLDER CONSULTATION

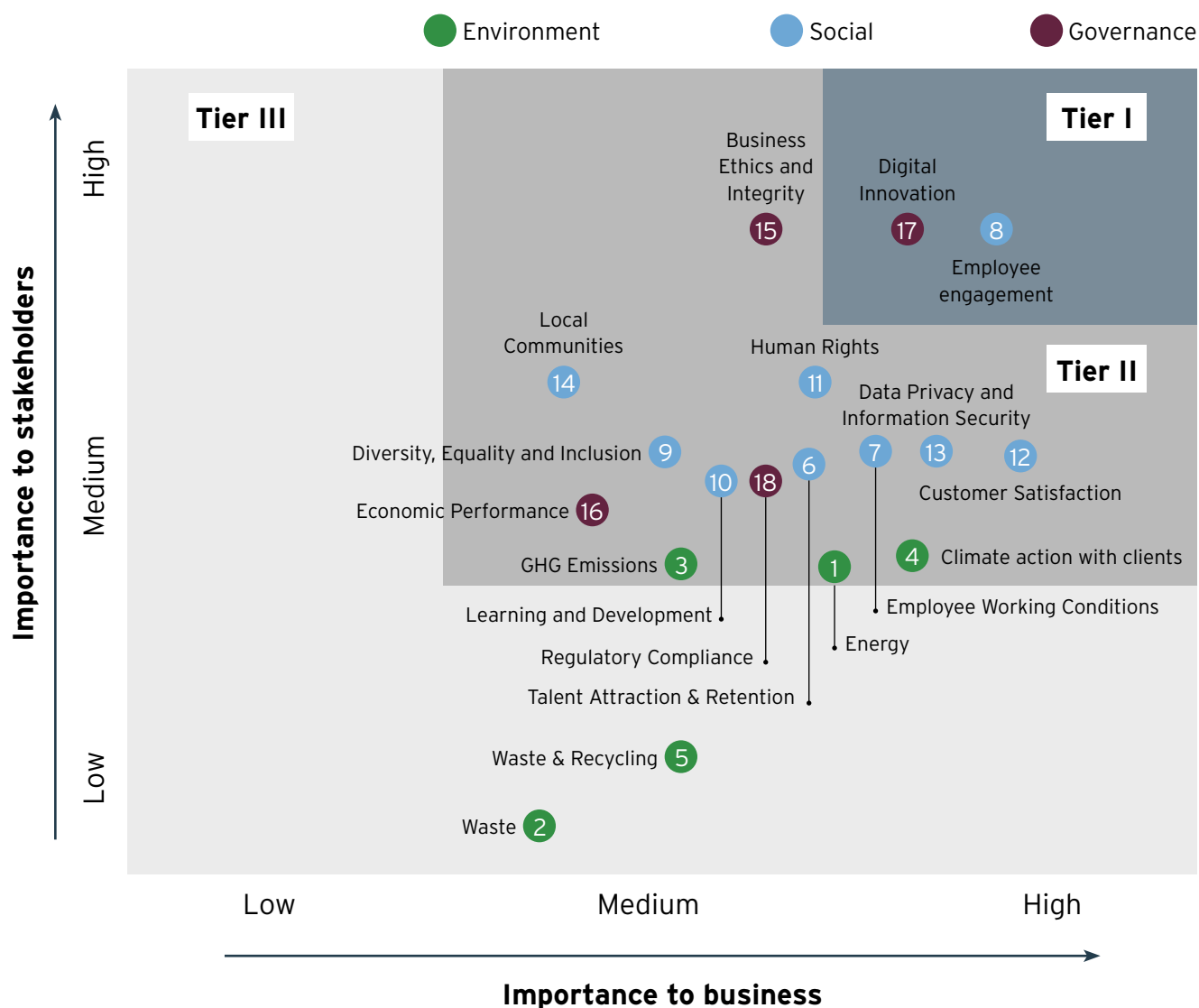
- Identified select stakeholder groups in consultation with PharmaLax.
- Developed questionnaire for each stakeholder group to learn each group's concerns.
- Circulated a scoring template among stakeholders for scoring each material topic based on its importance to them.
- Conducted one-to-one consultation sessions with select stakeholders.
- Consolidated separately the responses received from internal stakeholders and external stakeholders.



DEVELOPMENT OF MATERIALITY MATRIX

- Analyzed responses across all stakeholder groups and thereby derived an average importance score for each material topic under both internal and external stakeholder groups.
- Divided the topics into three tiers depending on the average scores to prioritize material topics of highest significance to businesses and stakeholders.
- Developed a materiality map to graphically represent the outcome of the materiality assessment.
- Prepared a materiality assessment report that detailed an in-depth understanding of the exercise.

PHARMALEX'S MATERIALITY MATRIX



Classification of identified materiality topics

Classification	Sl. No.	Material topics	Impact boundary
Tier-I	8	Employee engagement	Permanent and contractual workforce
	17	Digital Innovation	Client, community, investors, suppliers, and workforce
Tier-II	1	Energy	Offices and surrounding community
	3	GHG Emissions	Offices and surrounding community
	4	Climate action with clients	Offices and clients
	6	Talent Attraction & Retention	Permanent and contractual workforce
	7	Employee Working Conditions	
	9	Diversity, Equality and Inclusion	
	10	Learning and Development	
	11	Human Rights	Permanent and contractual workforce, suppliers
	12	Customer Satisfaction	Clients
	13	Data Privacy and Information Security	Clients and permanent and contractual workforce
	14	Local Communities	Community
	15	Business Ethics and Integrity	Client, community, government, investors, suppliers, and workforce
	16	Economic Performance	
	18	Regulatory Compliance	
Tier-III	2	Water	Offices and surrounding community
	5	Waste & Recycling	Offices and surrounding community

ALIGNMENT OF OUR MATERIAL TOPICS WITH THE UN'S SDGs

We believe that proactively identifying and addressing environmental, social and governance (ESG) risks and opportunities are both integral to sustaining our strong growth trajectory and critical to maintaining our license to operate in today's dynamic market. Throughout this report, we detail our approach to our company's unique ESG risks and opportunities; our ESG-related programs, policies and commitments; and our ambitions to deliver for all of our stakeholders.

This report reflects our company-specific sustainability initiatives while seeking to align with established reporting frameworks and standards. We support the UN Global Compact's ten principles of human rights, labor, environment and anti-corruption. The UN Global Compact and its principles are ingrained in our culture, policies and day-to-day operations.

Our company's impact can be measured in numerous ways that reflect the value we deliver to clients, employees, communities and other stakeholders. We also endeavor to align our corporate sustainability strategies and community impact engagements in support of the UN's Sustainable Development Goals (SDGs). The following details reflect the UN SDGs that we aim to continue having the most significant impact on by means of our business.



SDG 3 Good health and well-being:

Managing healthy lifestyles for human beings by the development of regulatory concepts and the clinical development of SARS-CoV-2 vaccines for various companies



SDG 7 Affordable and clean energy:

Promoting green energy by running our facilities in the UK and Bulgaria completely on renewable sources



SDG 12 Responsible consumption and production:

Endorsing the concept of reduce-reuse-recycle by redirecting our wastes to recycling or donation



SDG 5 Gender equality:

Embedding diversity and inclusion into a culture by the employment of more than 50% women and employees with disabilities in our workforce



SDG 8 Decent work and economic growth:

Ensuring no unfair labor practice is followed in the value chain by having audited our 26 suppliers based on our Supplier Code of Conduct



SDG 13 Climate action:

Reducing our ecological footprint through various initiatives like virtual servers to save hardware resources, reusable booth setups for global events and QR codes to inform on our services in order to achieve a paperless environment.



01 TOWARD CARING FOR THE PLANET



Living in these unprecedented times has posed challenges to many of the aspects related to life on Earth, with the environment being the most crucial. In PharmaLex's endeavor to build a sustainable value creation model, natural capital has proved to be a strong pillar.

Combating the climate crisis is a defining challenge of our time. At PharmaLex, we recognize the urgent need to reduce emissions and address systemic threats to the environment. To maximize our positive impact, we concentrate our efforts in three domains, taking into consideration the nature of our business. The domains are:

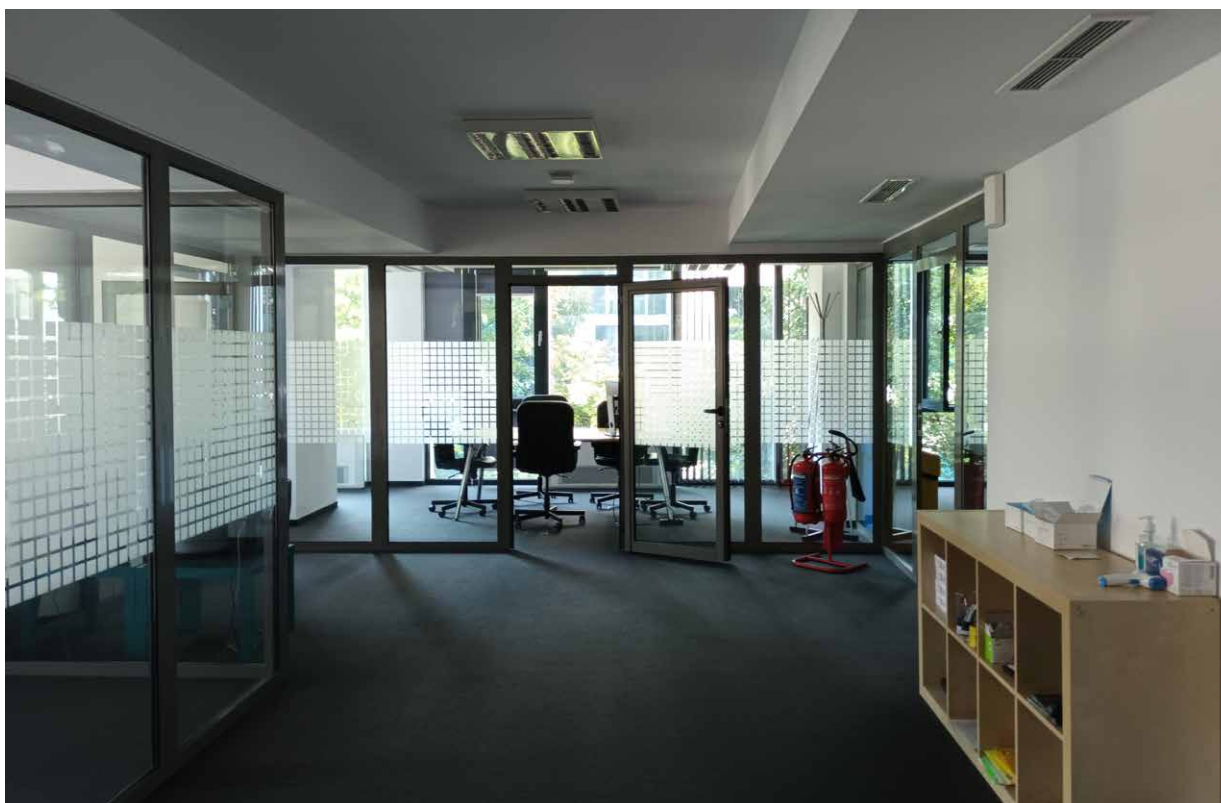
- effective resource management by channelizing our wastes for recycling,
- enhancement of our afforestation activity so as to increase carbon capture and
- reduction of our carbon footprint by using clean and green energy resources.

Our overall approach aims to mitigate climate-change-related risks through resource optimization and impact minimization. The key focus areas of our environmental strategy are energy management, carbon footprint reduction and waste management.

ENERGY MANAGEMENT

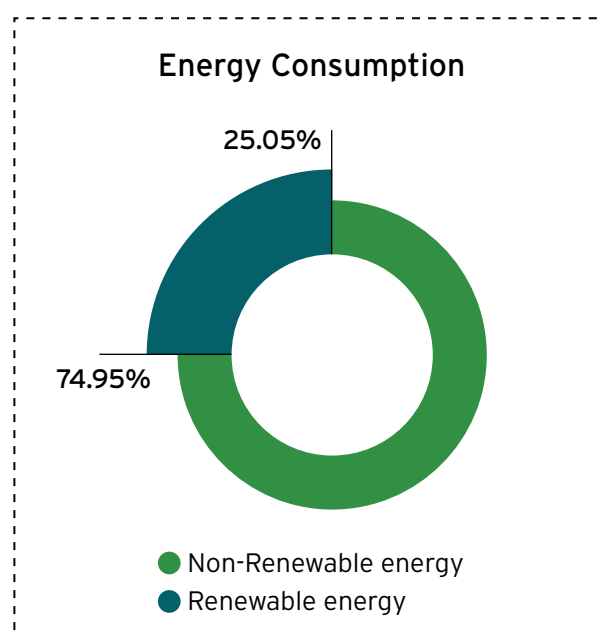
Energy consumption within our organization occurs mainly through the use of grid electricity, heating and cooling systems. Currently, electricity is purchased from the national grids of all the countries we are operating in, except for the Cornwall facility in the United Kingdom, which runs entirely on solar, and the facility in Bulgaria, which runs on a 100% renewable energy supply

through grid electricity. In Denmark, Germany and Spain, grids are using renewable energy and non-renewable energy in the fuel mix for electricity generation. Collectively, renewable energy contributes to about 25% of the total energy of 367 MWh¹ that we consume. We have also explored the option of geothermal energy at our Mannheim facility in Germany.



Bulgaria facility

Climate-related risks that affect our direct operations are limited, but PharmaLex has taken steps to manage the risks that affect our company. Guided by our policy to protect the environment, we are committed to optimization of energy usage at our office locations and data centers – including through efficient real estate operations – and we consider renewable energy sources when feasible.

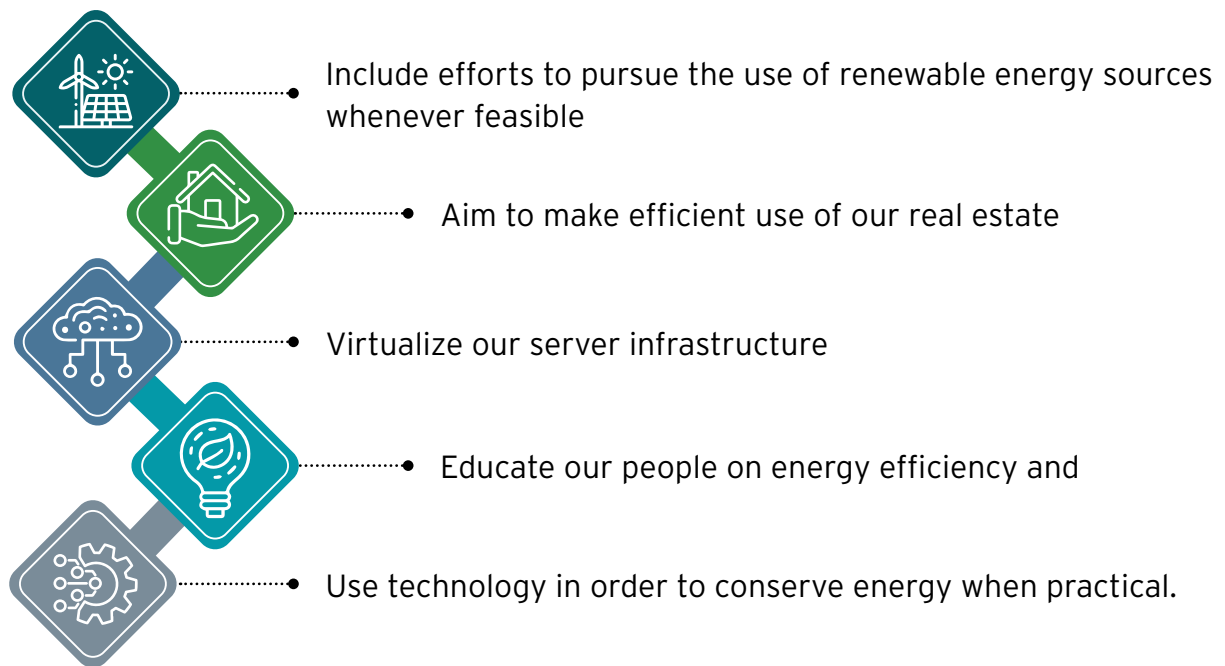


¹For Denmark, Norway, UK, India, Sweden, USA, Puerto Rico, France, and Belgium electricity is estimated through per sq. ft. average electricity consumption of other facilities.

We currently have in place the following practices that help support our energy commitment.

- Periodic review of our policy to keep it relevant to our future approach to mitigation of climate risks
- Streamlining of data collection and monitoring for relevant environmental key performance indicators across all of our major facilities
- Assessment of our business operations with a view to identification of possible environmental risk and, accordingly, implementation of mitigating measures
- Energy conservation certification, carbon offset, and the like

The assessment process is intended to enable us to not only set well-defined relevant targets but also plan tangible strategies to achieve the targets. Our practices are designed to:



GHG FOOTPRINT

We track and estimate for our organization all three types of greenhouse gas (GHG) emissions – scopes 1, 2 and 3 – as set forth by the GHG Protocol. Direct GHG emissions (scope 1) is an accounting of fuel consumption for our own vehicles and for fugitive GHG emissions released from air-conditioning equipment and fire suppression systems, which amount to a small percentage of our total GHG emissions. We consider emissions from the use of purchased energy (district heating, cooling and electricity) for estimation of indirect GHG emissions (scope 2). Sources of other indirect emissions (scope 3) include GHG emissions that result in our value chain based on such activities as employee commuting, business travel and purchased services.

PharmaLex operations' total GHG emissions for calendar year 2021 added up to 1,541.15 tonnes (t) of carbon dioxide equivalent (CO₂e).

Estimated GHG emissions for the reporting period are given below.



Scope 1: 27.08 tCO₂e

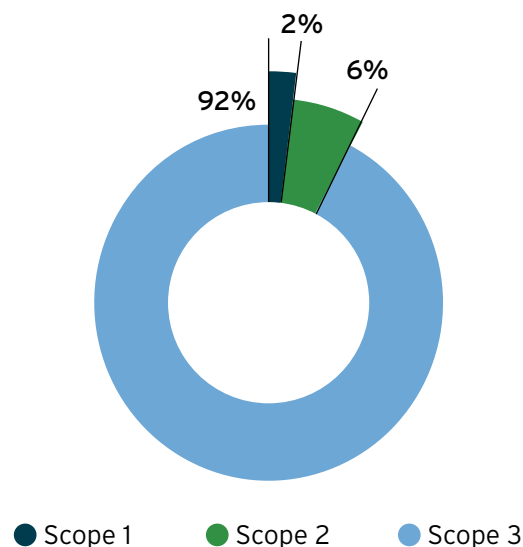


Scope 2: 97.56 tCO₂e

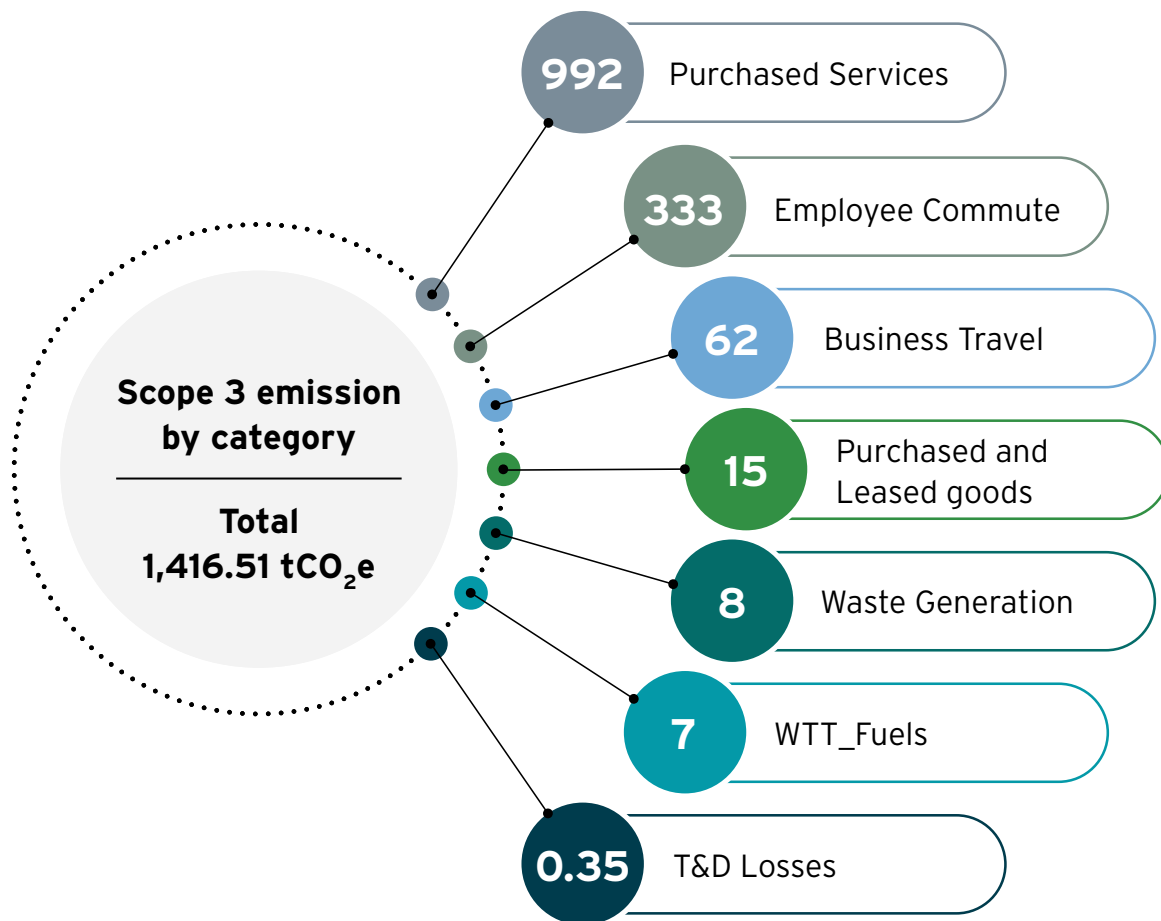


Scope 3: 1,416.51 tCO₂e

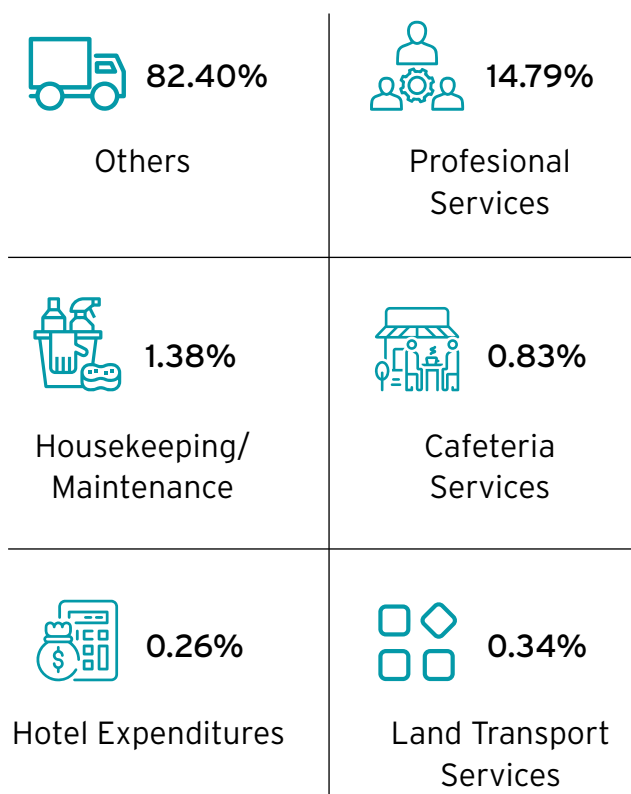
Scope wise GHG emission (%)



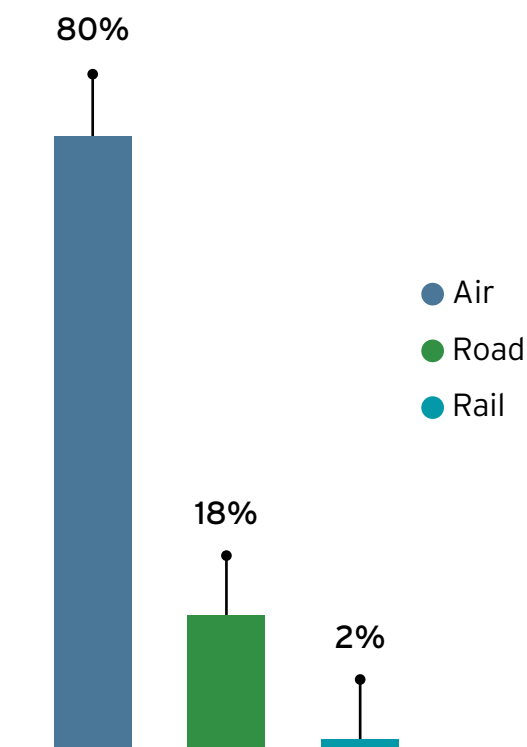
The largest emission source in calendar year 2021 was in the form of purchased services, followed by employee commuting and electricity and heating and cooling. Purchased services and employee commuting account for more than 85% of total GHG emissions. Therefore, it may be useful to refer category-wise to purchased services and employee commuting, respectively. Professional services represent the largest contributor in overall emissions for purchased services, but we observed that employees preferred personal vehicles over public transportation for their daily commutes in the reporting period. However, that outcome can also be attributed to the shift in modus operandi of business operations caused by the COVID-19 pandemic. Further, the breakup of business travel emissions shows that emissions from air travel are more significant than any other mode of business travel for the reporting period.



GHG emissions by purchased services (category wise)



GHG emissions by business travel mode (category wise)



The majority of our GHG emissions emanate from our value chain itself. The extent depends largely on the business choices people make. Therefore, it is important to estimate and monitor GHG emission intensity by calculating total GHG emissions against total in the reporting period. Our overall GHG intensity in the reporting period was 1.89 tCO₂e/employee.

Consequently, while working toward our future goals, we have made concerted efforts to reduce our per-capita energy consumption by investing in green energy, switching to more-efficient operations and pursuing greater adoption of sustainable commuting systems.

COVID-19 AND ITS IMPACT ON GHG EMISSIONS

Past two years of GHG emissions have been affected by unforeseen circumstances caused by the COVID-19 pandemic. Because most business operations around the world shifted to virtual mode, the result was a sudden dip in global GHG emissions. Similarly, PharmaLex's business model, too, became redefined in a manner that resulted in an overall reduction in GHG footprint during the reporting period. Therefore, under a business-as-usual scenario, GHG emissions for the company could be on the higher side.

INITIATIVE: JOB BIKES, GERMANY



Germany is one of the countries to have pledged in law to achieve net-zero carbon emissions by 2045.

But even though progress has been made in some areas, emissions from transportation continue to rise. We're not going to achieve net zero without dramatic changes in the ways we move about. To extend our support in that aspect, we recently started offering bike leasing to our employees. As an alternative mode of transportation to the workplace, transportation by bicycle can lessen the need for cars and other vehicles daily that contribute tremendously to air pollution and emissions of smog. Cycling can improve both physical and mental health and can reduce the chances of incurring many health problems like cardiovascular disease and anxiety.

► RESOURCE MANAGEMENT

Our desire to conduct business in an environmentally sound manner extends beyond our efforts to track and limit emissions and energy usage to the extent practical to also include optimal use of resources within our operations.

Given the nature of our work, our operations are not especially water-use intensive and do not directly generate hazardous waste. However,

we support water conservation efforts and continually look for opportunities to reduce water consumption at our office locations.

Our environment and climate change policy also focuses on reducing our environmental impact by minimizing the creation of waste, implementing waste diversion practices, participating in recycling programs, and adhering to water conservation practices.

WASTE AND RECYCLING

At PharmaLex, waste management is integral to our sustainability program. We have a two-pronged approach for effective management of waste: reduce overall waste and encourage circularity. Second to that is safe disposal of waste. For instance, when electronic equipment reaches the end of its useful life at our company, we deploy an e-waste recycling program in an effort to dispose of electronic hardware in an ethical and environmentally sensitive manner. In fiscal year 2021, we collected and disposed of 6 kg of mixed electronic and electrical waste (collectively, e-waste) and 223 kg of paper waste via authorized recyclers. We also promote donation to those in need of electronic items that are in usable condition. We undertake several initiatives to ensure sound waste management at all of our office locations. The key initiatives are highlighted below.

INITIATIVE: GOING PAPERLESS, GLOBAL

As a professional services firm, we use a lot of paper – especially for official documents and marketing communications. This results in large quantities of paper waste. To minimize that waste, we offer our clients QR codes to scan in order to access our various fact flyers and thought leadership materials.

Furthermore, conscious efforts have been made to reduce wastepaper. We use our email signature to prompt clients, contacts and our own employees to reduce printing to a minimum to the extent feasible.



INITIATIVE: SUSTAINABLE BOOTH, GLOBAL



Every year, PharmaLex participates in various conferences to network with prospects and gain insights into recent developments in our industry. And although many companies choose to purchase new booths for every event they attend, we take pride in using sustainable booth construction, which reduces the amount of waste produced at large conferences across the globe.

We have been using the same booth for the past two years and intend to use it for upcoming conferences over the coming five years, with only very few or no updates needed. This significantly reduces waste and underlines our ecofriendly approach to operational work procedures based on the booth's durability and multiple uses.

INITIATIVE: TONER RECYCLING, GERMANY

According to a survey, only one-third of print cartridges are recycled, which means that the rest – about 66% – are thrown away. A laser cartridge that thrown into a landfill can take hundreds of years to completely decompose. Keeping that in view, we have taken an initiative to spread the benefits associated with ink cartridge recycling. We are partnering with Ricoh, which has deployed a green box at our Germany office for the collection of used toner cartridges. The collected products are sent away for recovery and recycling.



SPOTLIGHT 2021: RELOCATING TO SUSTAINABLE OFFICE SPACE, FRANCE

In 2021, PharmaLex France decided to move its office to a new space. We were looking for a place with more environmentally friendly options. The new Tour CB21 (CB21 Tower) is an Haute Qualité Environnementale (High-Quality Environmental standard) building. Following are some of the benefits of the relocation.

Healthier employees with free gym access and in-house healthy food options

Proper waste management system through authorized service provider

Better cross-ventilation system

Sustainable furniture from refurbished wood

100% green energy

Water refill stations

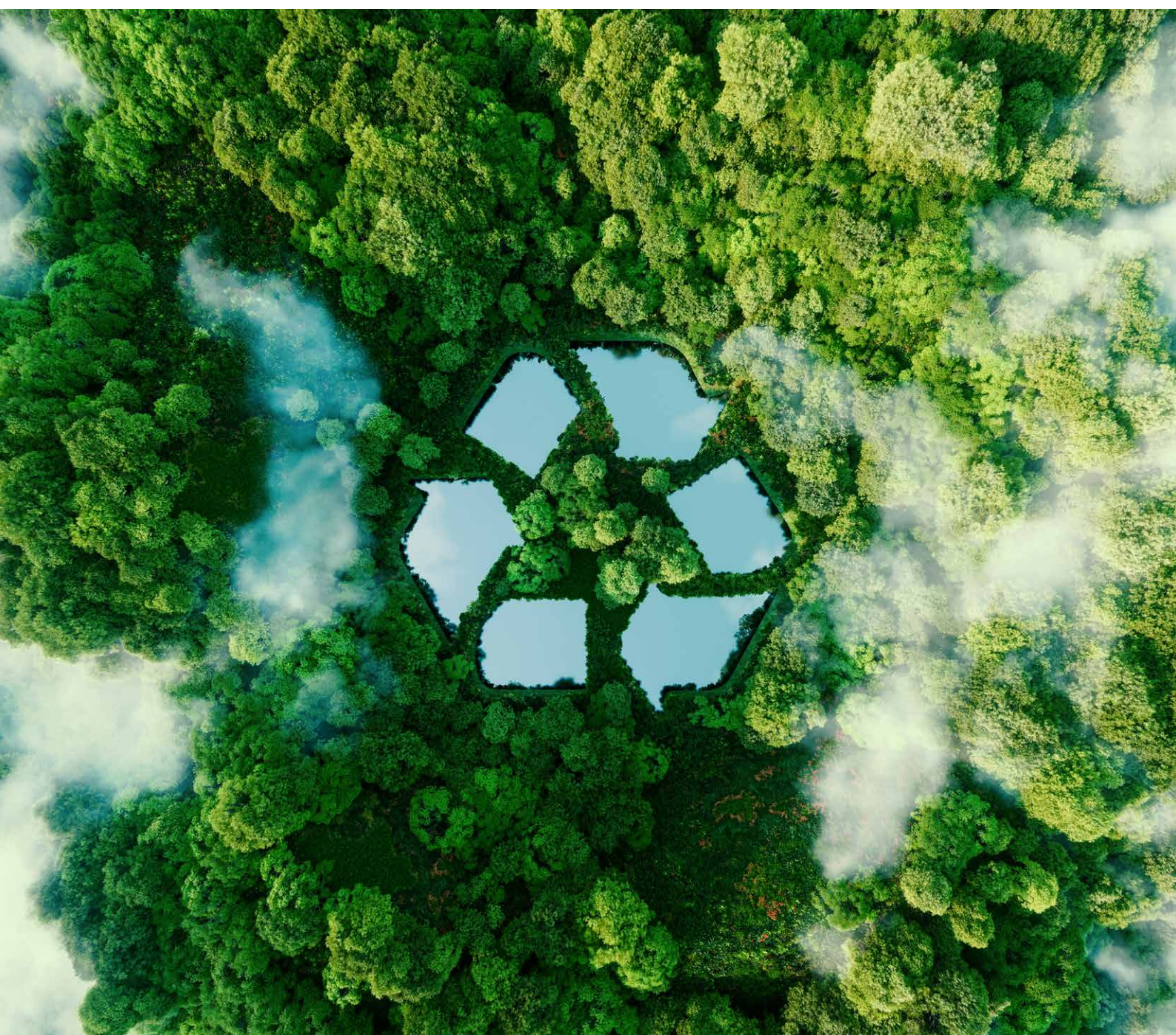
The waste collected in common areas gets sorted and transferred to waste rooms, from which it gets treated and recovered by a specialized service provider. The tower also has an ecogestures guide in place. The guide is used for raising occupants' awareness of the ecogestures to be carried out at work. It also presents the building's environmental provisions and particularities.

Our new PharmaLex France office



INITIATIVE: E-MOBILITY, BELGIUM

E-mobility enables us to move away from CO₂-emitting fossil fuels and toward energy supplied by electrical power sources that are in turn charged through the electrical grid. By decarbonizing transportation, electromobility will create a cleaner, healthier and more affordable future for everyone. To contribute to a greener environment, we are gradually replacing diesel company cars with electric or hybrid cars. Electric vehicles release no tailpipe emissions, they therefore contribute significantly to reduction of air pollution. They also have a positive impact on noise pollution because they make very little noise. We are replacing company cars with electric bikes or electric scooters on a voluntary basis. In 2021, we added a few electric vehicles to our fleet, and we aim to replace more than half of our fleet with electric vehicles by 2030.



02 TOWARD A BETTER WORLD FOR OUR PEOPLE



Everyone should have the chance to thrive and develop. That concept is core to the internal people-centric approach at PharmaLex. At the same time, we know that our responsibility as a company and a corporate citizen reaches beyond our company borders. Thus, we support social causes in many ways in order to be congruent with our brand's values, ethics and ideals. We actively encourage our people to share their ideas with regard to how we can constantly improve both as a company and as individuals.

To positively affect our people and the communities we work and live in, we invest in employee engagement, talent development, diversity and inclusion, and volunteering programs.

▶ EMPLOYEE ENGAGEMENT

We know employees represent our biggest asset, and we foster a work environment that is equitable and participative. We aim to create a dynamic work environment that encourages integrity and respect, growth and learning, collaboration, an international mindset and a quality focus on making a difference in people's lives.



Our workforce consists of more than **1,500** people of **24** nationalities as of December 31st, 2021.

We added **541** employees in calendar year 2021.

	2021	2020
Total employees	1,548	1,007
Women employees (in %)	65	68

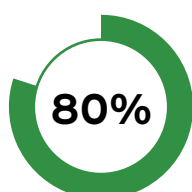
Communication being key to an effective employee engagement strategy, PharmaLex has created several channels to address our employees' diverse communication requirements.



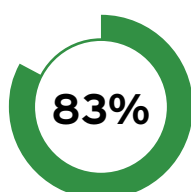
We understand the value of transparency and accountability in our administrative and management practices. Our whistle-blower policy encourages employees to report corrupt practices and unethical behavior. All employees abide by the organization's code of conduct and periodically affirm their compliance. PharmaLex invests in the people who drive our business forward, and we focus on understanding each team member's unique priorities, interests and perspectives. The company conducts bi-annual employee satisfaction surveys that are designed to capture

employee feedback and suggestions. The purpose of the surveys is to identify our key areas of strength and areas in which we can improve so as to create a more-employee-friendly work environment. We are proud of the progress we have made through employee participation. In our 2021 employee satisfaction survey, around 70% of employees participated, with 80% of the respondents indicating they are satisfied with their jobs and feel engaged as members of the workforce. This represents an approximately 5% increase since the previous survey in 2019.

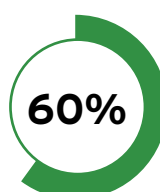
EMPLOYEE SATISFACTION SURVEY 2021



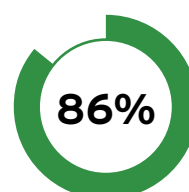
Satisfied with PharmaLex



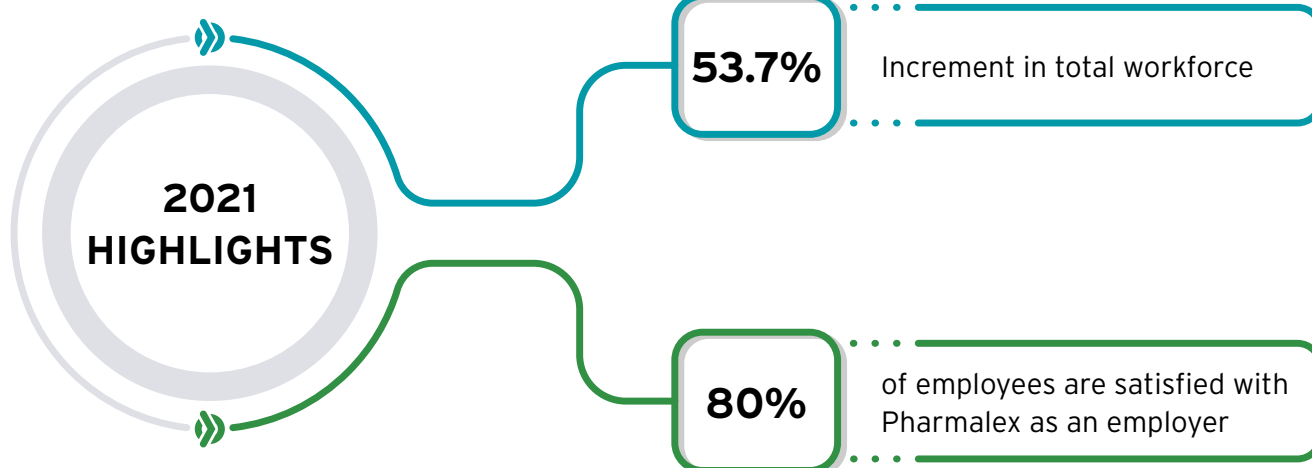
Considered working environment is good



Satisfied with personal development and growth



Satisfied with line managers



► EMPLOYEE WORKING CONDITIONS

PharmaLex strives to ensure all employees are physically and emotionally healthy, comfortable and safe in the workplace; are connected to their communities; and have harmonious work-life balance. To that end, the company offers many employee benefits such as medical coverage at the local level, retirement plans, employee assistance programs and parental-leave benefits.

SPOTLIGHT 2021: CELEBRATING MOMENTS, INDIA

Because ways of working shifted dramatically with the advent of the COVID-19 pandemic, many workers had to transition to managing new work duties, new processes and new modes of communication and collaboration. Employees became at times mentally exhausted because of the months of isolation and the endless virtual meetings. As we emerge from a season of workplace-culture disruption, it's time for us to refresh workplace culture, to get our people excited about working together again and to reenergize them. To do all of that, we organized:



Birthdays with group e-mail and cake cutting celebration



Anniversaries with flowers and special messages



Reward & Recognition for long term service and performance-based incentives



Health & Safety sessions



Festivals for Holi, Diwali and Christmas, with games, gifts and sweets



Women's Day, with fun activities and games



Regional team lunches

► EMPLOYEE HEALTH AND SAFETY

One of the prerequisites for conducting business responsibly is to ensure a safe and healthy workplace for employees, clients and visitors. At PharmaLex we continue to focus on developing robust health and safety procedures guided by requirements from multiple stakeholders: clients, employees, vendor partners, law enforcement, regulatory bodies and the communities we operate in. Our ambition is to run the business with zero injuries, a positive and healthy work environment in line with our employer commitment and minimal negative impact on society.

Protecting the environment, providing the right workplace ambience and safeguarding the health and safety of personnel such as employees, contract workers and visitors are strategic priorities at PharmaLex.

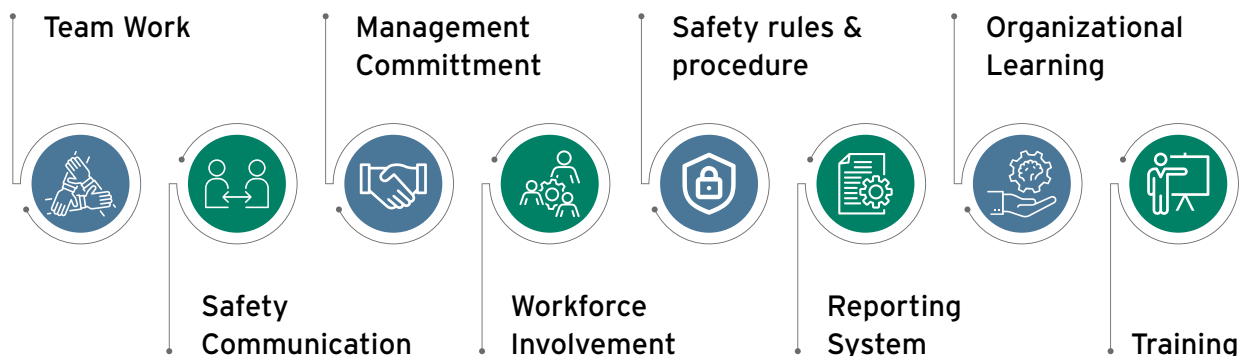


We have well-defined structures and procedures in place, and we strive to keep interested parties well-informed, trained and committed to achieving our health and safety targets and adhering to our initiatives. We have a formal structure that promotes initiatives for the well-being and safety of employees at seven affiliates; the target is to cover all of the facilities by the end of 2022. Our workplace-safety team addresses employees' health and safety concerns. And our sites are prepared with emergency kits for first-aid response to accidents.

Our occupational health and safety policy enunciates our philosophy and commitment to the

management of key health and safety aspects. The policy applies across all entities globally and acts as a catalyst for our efforts to implement various statutory requirements. We encourage employees to identify actual and potentially unhealthy and unsafe conditions, to make suggestions and recommendations for improvement and to bring them to the attention of management. Over and above that, we conduct trainings on various health and safety topics across the company's facilities. To date, we have covered 70% of employees through health and safety training programs. Going forward, our aim is to cover 100% of employees in health and safety training by end of 2022.

SAFETY CULTURE



WORKPLACE SAFETY TEAM

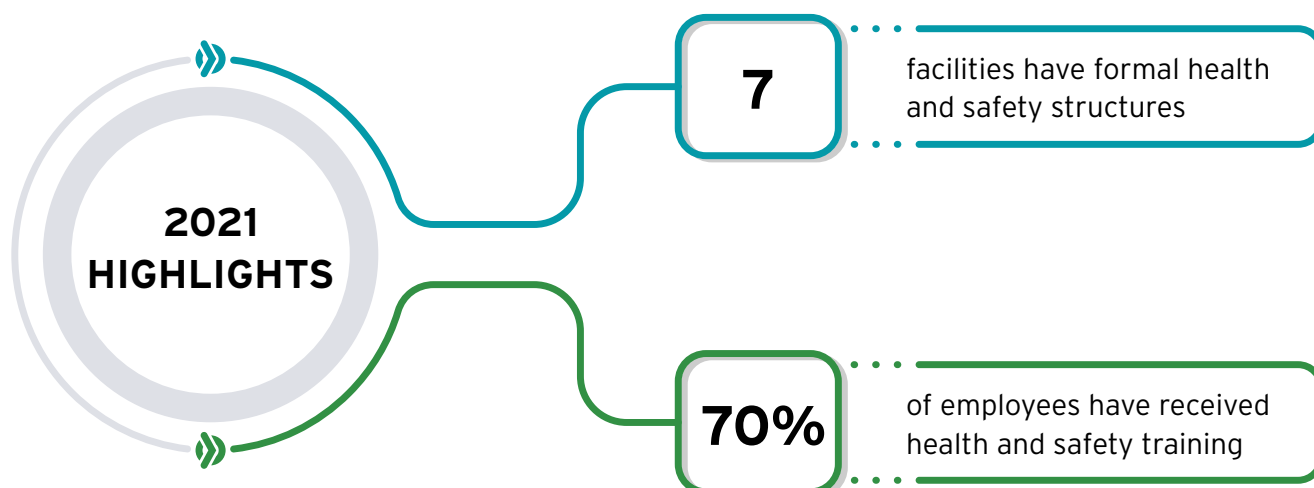
We believe in creating a safety culture within the organization, and accordingly, our procedures were developed to give a sense of ownership and accountability to employees. We have assembled a workplace-safety team that meets at regular intervals to discuss any incidents and to develop action plans for the future. The structure of the workplace-safety team is as follows.



Further, we work with external facility management providers to conduct a self-check for identification of potential hazards in our office locations. We also implemented a health and safety risk assessment to gather necessary information about workplace hazards and risks related to health and safety, thereby enabling us to take corrective action to mitigate or eliminate potential negative impacts.

INCIDENT REPORTING AND INVESTIGATION

Incident reporting is encouraged across stakeholders, including employees, suppliers, and service providers. Reported incidents are investigated, root causes analysed, and appropriate corrective and preventive measures implemented. Safety at the workplace is accorded one of the highest priorities at PharmaLex.



SPOTLIGHT 2021: EMPLOYEE PSYCHOLOGICAL SUPPORT PROGRAM, BULGARIA

When the COVID-19 pandemic hit the world, PharmaLex as an organization was challenged – and so were our people. It became obvious how different the lives and struggles of our people are and how unique the challenges were when confronted with COVID-19. Many research studies also confirmed that COVID-19 is having an impact on employees by creating unprecedented levels of personal anxiety and depression.

To assist with the mental well-being of our employees, we started an Employee Psychological Support program. The entire program was organized according to the following four steps.

SELF EVALUATION QUESTIONNAIRE

The questionnaire covers the degree of the experienced negative emotions, burnout symptoms and type of difficulties experienced in the situation of remote working and social isolation.

WEBINAR

The webinar covers theoretical explanation of the current situation; some basic psychological techniques for handling difficult emotions; coping strategies for adapting to the new situation; and group discussion.

INDIVIDUAL SHARING AND FEEDBACK

Individual online sessions were held with each interested employee; employees had an opportunity to share in private their thoughts and feelings and to outline together with the counselor the main problematic areas; strategies for coping and need for further interactions were discussed.

EMPLOYEE SUPPORT PROGRAM

We have organized psychological counselling that maintains employees; employees are entitled to one session per week, which is conducted by a clinical psychologist whose cost is fully covered by the company.

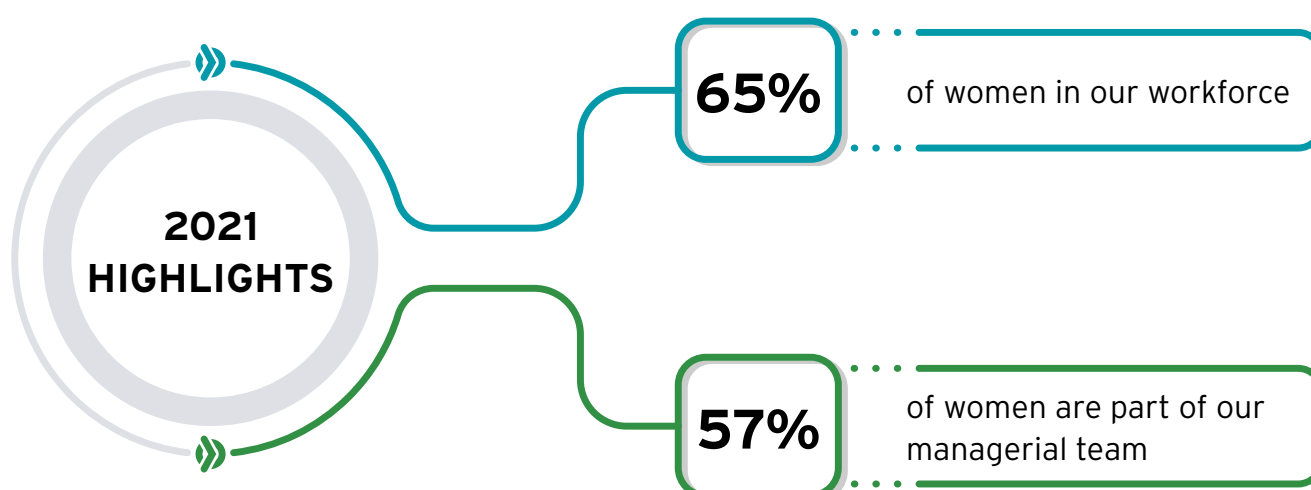
Approximately **70%** of all of our employees at the Bulgaria office availed themselves of this program, with **8** out of the **70%** engaging in further consultation with the psychologist.

► DIVERSITY, EQUALITY, AND INCLUSION

Creating a positive workplace environment is vital to the success of the business, and we are focusing on creating a culture of diversity and inclusion. PharmaLex, empowers and equips company leaders to foster a diverse and inclusive workplace. Almost two-thirds of our employees are female, which is reflective of our commitment towards gender diversity. For us, inclusion means creating a culture and environment where everyone can **reach their full potential** and is able to add value. We advocate **openness and diversity**. We use training materials to raise awareness among employees and to address unconscious bias, both in interpersonal relations and decision-making processes.

We believe the first step towards achieving this is through transparent and yearly reporting of our diversity and inclusion parameters as listed below:

Age on 31 December 2021	Total	Male	%	Female	%
Under 30	496	185	37%	311	63%
30 to 50	802	268	33%	534	67%
Over 50	250	90	36%	160	64%
Total	1548	543	35%	1005	65%



► HUMAN RIGHTS

We firmly believe that all employees must live with social and economic dignity and freedom regardless of nationality, gender, race, sexual orientation, religion or economic status. As an equal opportunity employer, PharmaLex takes seriously the responsibility to safeguard against any act of discrimination in recruitment, promotion, remuneration, allocation of work, termination of employment or other issues. To

solidify our efforts to ensure human rights get translated into action, we have formulated the Code of Ethics and Sexual Harassment policies along with periodic internal due diligence. We have zero tolerance for any use of child labor or forced-labor practices. We provide equitable base pay and award bonuses on the basis of performance, both of which we monitor worldwide.

In all of our work, we uphold individual human rights without compromise, and that is the reason we had zero human rights violation cases in 2021.



We expect suppliers to share with us their commitment to human rights and equal opportunity, and we do not knowingly conduct business with partners or suppliers that violate our policies or fall short of our standards. Our Supplier Code of Conduct defines those expectations as minimum requirements for suppliers seeking to conduct business with us. And it explains our process for preventing slavery and

human trafficking in any part of our supply chain.

We have mapped our human rights responsibilities against our sustainability priorities, and in the coming year and beyond, we will continue refining our human rights work. We will also continue building relationships, engaging with key stakeholders, and leveraging our work collaboratively with our partners to fulfill our responsibility to respect human rights.



► TALENT ATTRACTION AND RETENTION

Our company's success depends on our ability to attract and retain intellectually curious, diverse and accomplished individuals. And our approach evolves as we respond to changes in market competitiveness. For instance, we introduced a new career site that offers tips for interviewing, details transparency during the selection process, and presents clear information about career possibilities for job candidates. We are

also providing unconscious-bias training for our interviewers and recruiters. We outline the relevant recruiting process for job candidates and provide feedback along the way. Throughout, we give candidates opportunities to experience our culture in order to help them make an informed decision. In 2019, we rolled out a new digital tool called Rextx, which is serving to streamline and enhance our recruitment process and job candidates' journeys.

WORKING AT PHARMALEX

We constantly strive to ensure that employees can feel comfortable about exploring innovative ways of working, be they through remote work or programs that let people explore their passions outside the workplace. We offer performance-

linked incentives as well as an array of development opportunities and a global network to cultivate employee growth and development. The experiences we provide employees to develop their talents are as follows.

Initiatives for 2022 That Support Our Employer Commitment Statements

Employee engagement

- Globally aligned onboarding program
- Focus on corporate social responsibility
- Quarterly newsletter
- Quarterly webinars with topical guests discussing diversity and inclusion
- Social events and regular visits and interactions of the local affiliates by members of top management
- Rollout of top management videos development opportunities and leadership

Career development

- Learning and development and comprehensive global training
- Implementation of a global talent management program
- Implementation of transparent career paths, competency framework and supporting training programs
- Continuous proactive engagement of line leaders to ensure development, recognition and retention of their teams
- Implementation of a harmonized global promotion process
- Implementation of leadership principles

Work-life balance

- Flexibility in working arrangements
- Facilitation of remote working
- Attractive wellness and health offerings
- Implementation of hybrid working models
- Ensure efficient talent acquisition in order to support the ongoing work of employees

International collaboration

- International projects
- Exchange programs or international assignments
- Teamwork collaboration at local and global levels
- Training programs to build intercultural competencies

► LEARNING AND DEVELOPMENT

Employees need a broad spectrum of competencies, skills and knowledge to fulfill the PharmaLex ethos to provide flexible and cost-effective solutions. The exceptional experiences they have at PharmaLex empower them to grow their careers and become transformational leaders. In turn, this is what enables them to make a difference in the world. PharmaLex facilitates continuous learning for employees and offers several delivery channels such as in person and virtual for ease of access. Our overall objective focuses on six different areas as follows.



Personal Development and Growth Strategy

- Define a development and growth strategy according to PharmaLex business and human resources strategies



Career Management

- Create a common understanding of the company's career paths and develop further career opportunities
- Improve transparency of development opportunities with PharmaLex
- Sharpen the company's career paths and roles such as principal consultant or program manager



Competency Management

- Define promotion criteria and operate the selection and registration process transparently across the organization
- Design respective development plans and set up training offers with regard to competency development within each career path



Succession Planning

- Create a succession plan to identify critical key business roles in the organization and find potential succession candidates for each role



Mentoring Program

- Design a mentoring program across the global organization to foster professional as well as individual development and employee retention
- Create learning and development partnerships and secure a sustainable transfer of knowledge



Annual Performance Review

- Support the launch of a consistent global digital employee-appraisal process
- Offer annual performance review trainings and online trainings for line managers across all affiliates to introduce the new process and give guidance

During 2021, we carried out a lot of activities with the main objective of upskilling and reskilling our people to become higher-quality professionals on their professional and managerial career paths. Our main programs are as follows.

Training program	Target group	Key topics
Mentoring	From manager to senior director	Development of skills through a mentor
Project management	Above manager	Management of complex and successful critical programs with appropriate tools and methodology
Top management	Vice president and C level	Transformational leadership that supports the organizational change with a common strategy, value proposition, team and culture
Learn to lead	Manager and senior manager	Creation of knowledge and transparency on principles
Leading in challenging times: Refresher	Senior manager to senior director	Refreshing of leadership concepts
Emerging leadership	Manager and senior manager	Key principles of management and communications
Senior leadership	Associate director and above	Key principles of leadership and mentoring

Our training programs are in the forms of

- (1) workplace training wherein employees have to be physically present and
- (2) virtual training accessible through REXX. **In total during 2021, we delivered more than 5,000 hours of training to our employees.**

2021 HIGHLIGHTS

Indicators	2021	Target 2022
Number of hours of training attended by employees	5,104	9000
Percent of employees who have received training in health and safety	70	100
Percent of employees who have received training in business ethics	66	100
Percent of employees who have received training in diversity and inclusion	71	100
Percent of employees who have received training in code of conduct	100	100
Percent of employees who have received training in environmental awareness	71	100

▶ LOCAL COMMUNITIES

Driving inclusive growth is at the heart of our purpose and shapes our approach to creating positive social impact in our communities. We believe in **growing together**, whereby everyone can contribute to and share the benefits of sustainable economic growth. Our ethos is to provide flexible and cost-effective solutions that enable companies to bring to market their products intended to diagnose, treat and improve patient well-being. It is that commitment coupled with acknowledgment of the impact our business model has on the world that defines our corporate social responsibility strategy.

It is of vital importance that we not only take responsibility for our actions as a company but also invest in our future as a community. That is why we have chosen to support several causes both globally and locally to ensure we are able to have an impact where an impact is most needed.

As a company, PharmaLex recognizes the role it can play in supporting worthy causes across the world. We are focusing our efforts on initiatives that revolve around education, empowerment and inclusivity. Through those initiatives we hope to have a positive impact on communities by helping them achieve better quality of life.

LOCAL INITIATIVES



Education



Empowerment



Inclusivity

Country	Initiative	Focus area
Ireland	Christmas Appeal: Supporting 40 to 50 families that cannot afford to provide basic necessities during the festive period. Volunteer time off to support local community associations	
Spain	Zarpa Protección Animal: Collection of food and material for shelter animals	
	Ilunion: Office cleaning provided by Ilunion, which creates quality employment for people with disabilities	
UK	Cornwall Christmas Box Appeal: Supporting families in need across Cornwall	
	Scoff a Scone: In aid of Action Medical Research	
	Comic Relief / Red Nose Day: Raising money via different activities such as Cream Teas for Cancer research	,
	Participation in the annual United Response ROC 5K, which raises funds for ROC Welcome Social Club in Truro and IT interactive equipment Chapel Wheal Busy	
	Volunteering for local community-based associations	
	Cornwall Air Ambulance: Raising money via quiz nights and bake sales	
	Beach games and litter pickup: In association with Cornwall Sports Partnership and Clean Cornwall	
USA	Volunteer time off to support local community associations	

SPOTLIGHT 2021: EYE HEALTHCARE CAMP, INDIA

As a part of the global CSR approach, PharmaLex supports CSR initiatives both globally and locally for the betterment of the society. In continuation to this PharmaLex India has taken initiative to collaborate with Rotary Foundation (a Non-Profit Organization) and donated fully equipped "Mobile Ophthalmic Van" to ICARE Charitable hospital (ICARE), Noida for the eye treatment of people who do not have access to basic health care services. The mobile van will bring awareness towards eye care and provide relief to the underprivileged living in the backward and interiors locations of the city.

Benefits available under this initiative are:



Computerized and subjective eye check-up, using auto refractometer



Check-up of eye pressure with tonometer



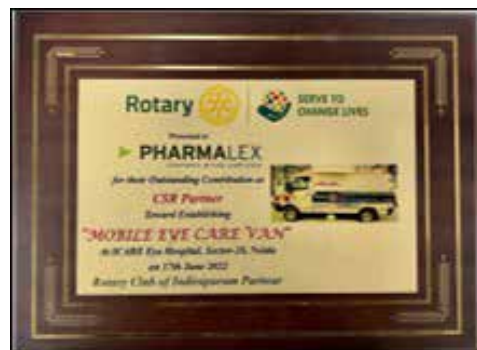
Consultation by experienced, qualified ophthalmologists



Education: eye care awareness



Clinical & surgical assistance as per the requirement



INITIATIVE: FOODBANK, AUSTRALIA

We partnered with Foodbank Australia – Australia's largest food relief organization – which operates on a scale that makes it crucial to the work of front-line charities that are feeding vulnerable Australians. Foodbank Australia provides 241,000 meals a day, or 88 million meals a year, for more than 2,600 charities around the country, accounting for 79% of all food received by charities from food rescue organizations. Fifteen PharmaLex Australia employees volunteered for a day with Foodbank New South Wales, thereby helping in a practical way by packing emergency food hampers for people in need.

INITIATIVE: SOLIDARITY RUNS, SPAIN



Every year, more and more PharmaLex Spain colleagues take up the challenge to participate in solidarity races. Our objectives are to collect funds for different charity purposes and to promote a healthy lifestyle through sports. The initiative started in Zaragoza and Madrid in 2019 and has been extended to the rest of the cities where PharmaLex Spain has offices. Part of the registration fees are donated to various associations. Employees received the initiative very positively, and every year since, the numbers involved have increased. Spain's PharmaLex employees are now calling for more initiatives of this type that would enable them to collaborate and participate as a group.



SPOTLIGHT 2021: AWARENESS WITH GREEN DEEDS



Sustainable reforestation of forests is the greatest natural option for climate protection currently available to us. For instance, Italy-based organization Treedom plants trees worldwide, and according to its website, more than two million trees have been planted and bred since 2010. Treedom collaborates with local farmers, who receive start-up funding until the trees bear fruit and make a contribution

to their living. Via the treedom.net platform, each tree can be followed digitally via geolocation and regular updates.

To celebrate PharmaLex's 25th year in business, we recently planted 250 trees in Colombia. To date, we have planted more than 1,000 trees in collaboration with Treedom.

You can view our initiative details at [Treedom.net](https://treedom.net)



PLAN International is committed to having a lasting impact on the lives of the most-vulnerable and most-excluded children while promoting equality for girls. In collaboration with PLAN International, PharmaLex promotes sports activities for girls and boys at 20 secondary schools in the Ba Vi and Ha Dong districts in the Hanoi metropolitan area of Vietnam.

By playing various ball sports, the children build self-confidence. At the same time, they learn to stand up against violence, bullying and discrimination. Equality, child protection and non-violence are addressed. Around 18,000 lower-secondary-school students benefit from the activities, as do around 10,000 children who will be attending secondary school in the next two years. We are training 40 teachers to teach inclusive and gender-sensitive physical education lessons. We have also trained 28,100 parents on the importance of sports and equal rights.



03 TOWARD ENHANCEMENT OF PROSPERITY



While we integrate sustainability into our business processes, ethical and transparent governance will play a critical role in shaping the corporate landscape. Our corporate governance reflects our value system, which encompasses our culture, policies and relationships with stakeholders. Integrity is at the heart of our values-driven governance culture, which helps gain – and retain – the trust of our stakeholders.

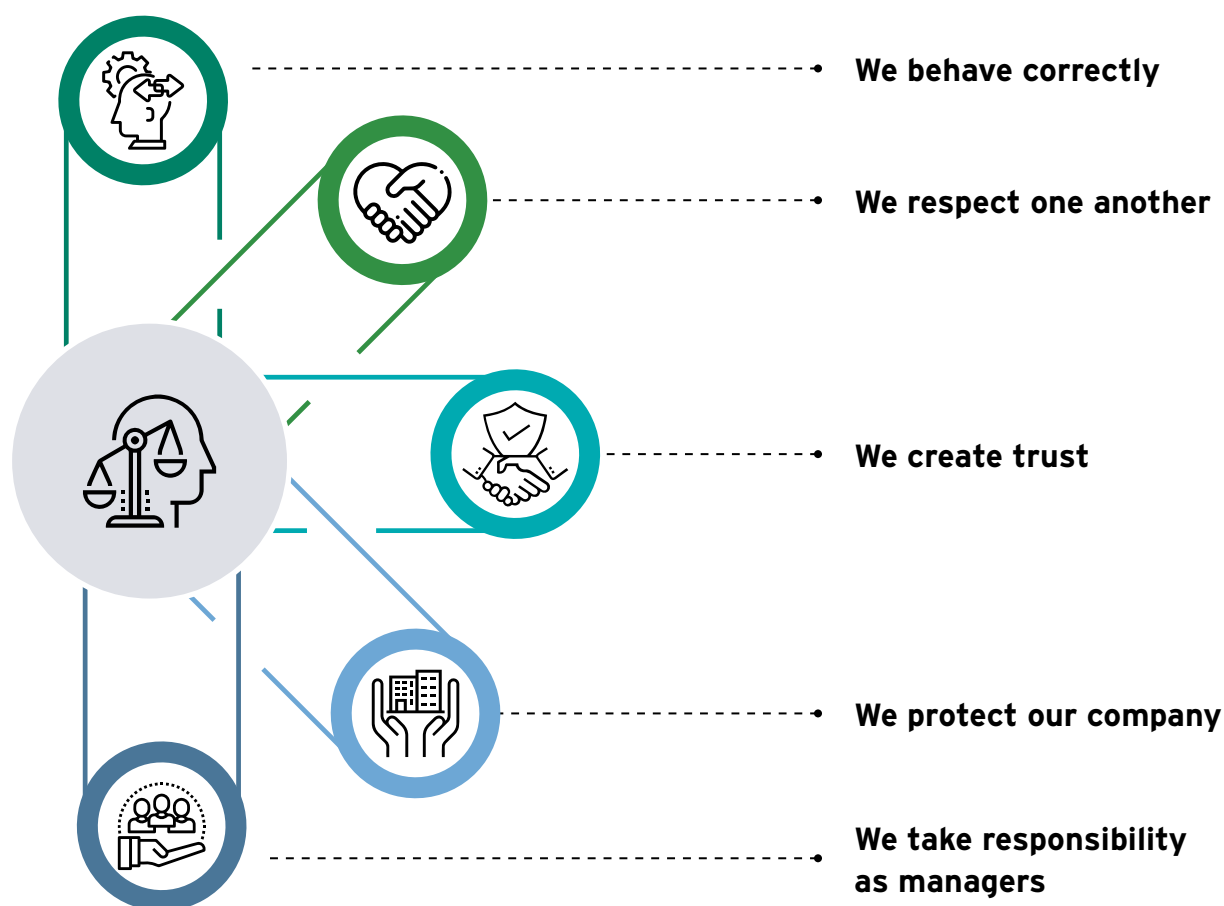
BUSINESS ETHICS AND INTEGRITY

At PharmaLex, our primary objective is to achieve outstanding results for our clients. As a client-centric responsible service provider, we make sure our clients' needs get met, our reputation is protected and our business objectives are on track. Our code of conduct helps us maintain and build on the trust we have established with clients – a trust that is essential to the success of our business.

Our success is contingent on conducting our business in an ethical manner. We believe that integrity and ethical conduct are choices our

people must make every day. Ethics and integrity are at the core of our functioning, and PharmaLex requires that employees mandatorily participate in ethics and compliance training. The company's policies and procedures related to our code of conduct are regularly updated and evaluated so that they reflect appropriately the current regulatory landscape. Our code of conduct and its guidelines for behavioral integrity and ethics apply to all managing directors, executive employees, other employees and agents and representatives of the PharmaLex Group.

PHARMALEX COMPLIANCE PRINCIPLES



At PharmaLex, our guiding principles enable us to behave ethically and with integrity.

We apply these principles of respect to one another and to third parties with whom we interact, such as suppliers, clients and business partners. Our ethics and compliance policies serve as guideposts for our behavior and management practices, and they describe simply and clearly what is expected of managing directors, other employees, consultants

and officers. The policies are shared with all employees, and new employees are required to acknowledge in writing their agreement to comply. We also hold related training sessions and refreshers on a recurring basis. Ultimately, the goal is to prevent, manage and mitigate any ethics and compliance issues within our walls and beyond our facilities while upholding the high standards of business conduct described in our policies

RISK MANAGEMENT

Our objective is to protect our brand through proactive risk identification and implementation of mitigating activities. Our partners and employees are accountable for identifying and mitigating risks in their day-to-day work. We support those efforts through our risk management function, which is dedicated to developing and implementing strategies that identify, assess and mitigate significant risk exposures across the globe.

ANTI-BRIBERY

Our culture of integrity has zero tolerance for corruption of any kind. We consider that high standard essential for performing our role in society and for preserving our reputation as trusted advisers of our clients and as an employer of choice for the best talent. Our employees are expected to abide by all laws, treaties and regulations that prohibit bribery and other corruption. Accordingly, our staff must not – either directly or indirectly through the use of third parties – offer, attempt to offer, solicit, authorize or promise any type of bribe or kickback to obtain business or unfair advantage. This guideline pertains to all employees, contractors, clients and others with whom we conduct business. We expect our people to seek guidance if they encounter a situation without a clear resolution that would conform to our code of conduct and our anti-bribery policy. The channels whereby employees can raise concerns are

our compliance officer and the responsible managing directors.

In addition to completing mandatory code-of-conduct training, all employees must participate in anti-bribery training that explains the principles of the policy and identifies potential risks.

PREVENTION OF SEXUAL HARASSMENT

Our understanding of safety is not limited to ensuring the physical safety of our people. As a responsible employer, PharmaLex commits to making our people feel mentally and emotionally safe as well. To fulfill that responsibility, PharmaLex fosters a work environment free from discrimination, bullying and sexual harassment. Our policy ensures discretion, guarantees non-retaliation against complainants and provides both total anonymity of the reporting individual and confidentiality of the information.

WHISTLE-BLOWER

We have framed the company's whistle-blower policy to enable employees to easily raise concerns regarding potential violations of company policies or applicable laws without any fear of retaliation. Complaints received under the ambit of this policy are reviewed independently while ensuring the reporting entity's anonymity and confidentiality of the information.



DIGITAL INNOVATION

PharmaLex envisions the future of healthcare as a world apart from the current status quo. Emerging technologies have become integral parts of our everyday personal and work environments, and that stands true for the healthcare industry as well. Digital transformation in life sciences has previously lagged, but recent events have acted as catalysts for change. PharmaLex as a company wants to stay competitive and meet evolving needs. In that regard, we have realized the need for the

restructuring of business models and adaptation to new technologies.

The COVID-19 pandemic has catalyzed the life sciences industry and recent healthcare trends. It has caused a shift in the life sciences ecosystem by emerging as a health crisis on a global level. Companies like ours have had to adopt new technologies while continuing to develop our products and while aiding pharmaceutical companies in their missions to treat COVID-19.

The strategic principles that guide our drive to embrace digital innovation for our Vision 2026 are:



With discussions having started at the government and country levels on how to design tomorrow's critical healthcare infrastructure supported by cutting-edge, enabling technologies, we can be confident that the healthcare industry is acknowledging the importance of digital transformation. To remain competitive, to develop and maintain the industry's products and to ensure a healthy patient population, healthy businesses and healthy leaders, we will have to step aboard.

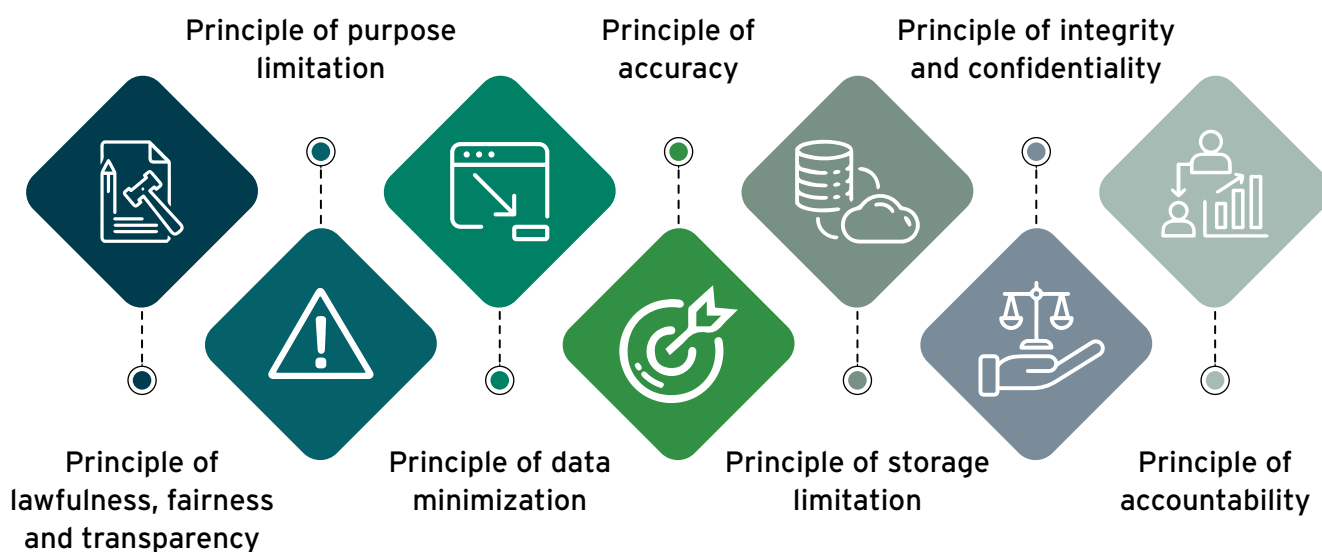
► DATA PRIVACY AND INFORMATION SECURITY

At PharmaLex, data privacy and information security are much more than just administrative and compliance functions. Especially in today's digitally enabled world, they serve to protect data and are necessary mechanisms for safeguarding the company, our business and our people. At PharmaLex, we have developed robust policies and procedures to retain a strong information security program and the data privacy of our people and our clients in order to maintain the trust of our stakeholders.

Our data privacy and information security guidelines and manual describe our practices. We help employees implement relevant legal data-protection regulations and integrate them

into workflows. The guidelines are intended to help raise awareness of the need for personal data protection and to provide support in assessing situations wherein data-protection issues may affect an individual's work and duties. Each facility of the PharmaLex Group is aware that the correct use, storage and transmission of such data requires responsible handling and that data's use, storage and transmission must always be in accordance with local laws. Since August 2021, we have had an established and operational information security management system in place, with a finalized scope for ISO 27001. We have received ISO 27001 in June, 2022 for Germany, Spain and India facilities.

The following basic principles apply to lawful data processing, followed by our internal data management processes.



DATA PROTECTION IMPACT ASSESSMENT

We carry out a data-protection impact assessment wherein data processing involves the use of new technologies and considers the nature, scope, context and purposes of the processing, which may involve high risk to the rights and freedoms of clients and employees alike. The assessment also assesses the impact of envisaged processing operations on the protection of personal data. PharmaLex has a data protection officer assigned to oversee the assessment, to monitor stakeholders' compliance with general data-protection guidelines and to oversee employees' processing of their obligations to other European Union or member state data-protection provisions.

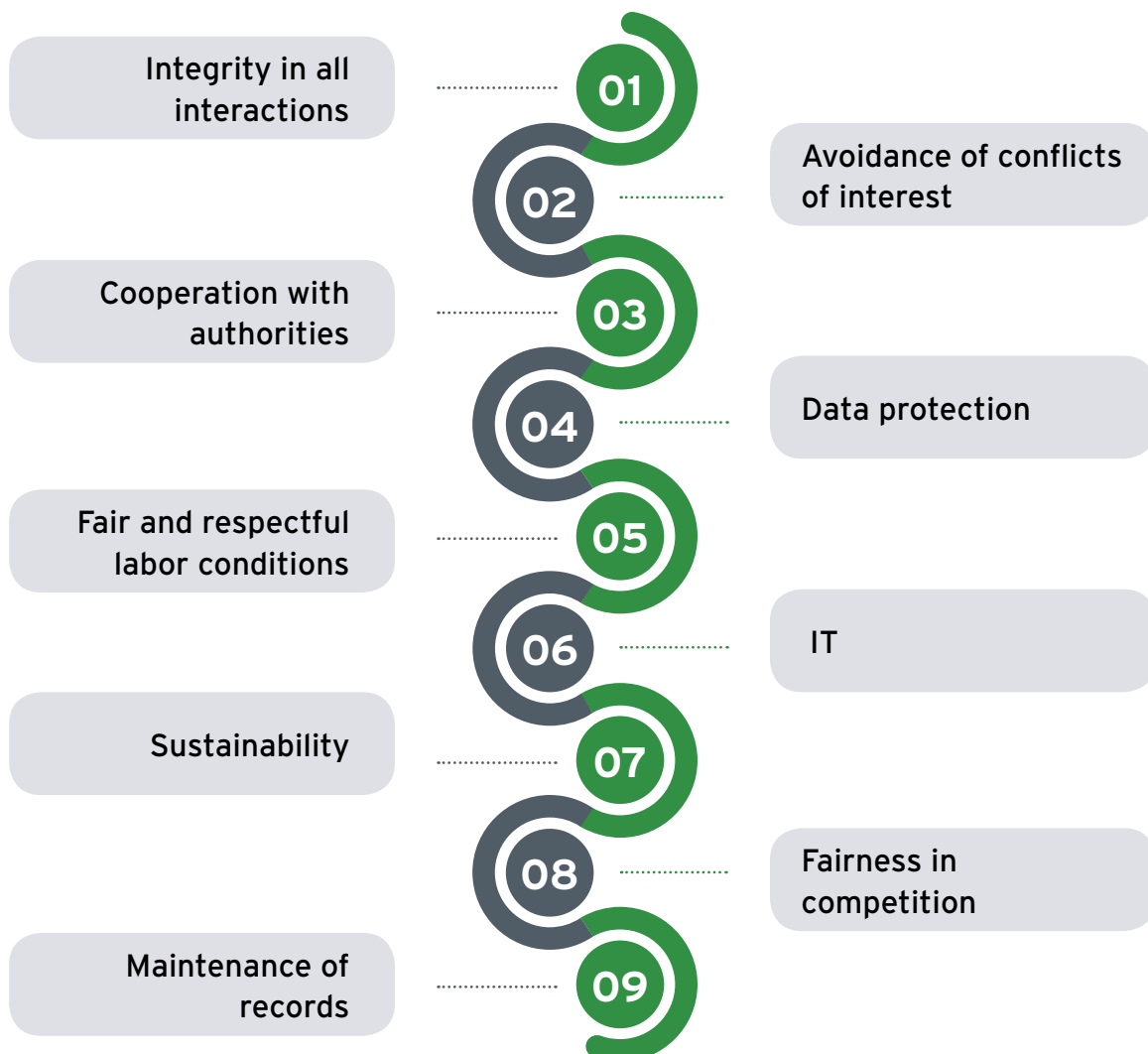
► REGULATORY COMPLIANCE

Our compliance and professional conduct are important contributors to our overall success and our corporate values and mission. Many of our teams work on complex and high-profile client matters for which our clients have turned to us for support because of the diverse expertise our professionals offer and the trust our clients have in our company and our people. Compliance here at PharmaLex stands for strict observance of and adherence to all laws, ordinances, codes and relevant and applicable business rules and regulatory requirements of

the company and management.

PharmaLex respects the applicable laws and regulations of each of its locations of operations and sets similar expectations of the company's employees and contractors. Risk minimization, improvement with a view to better efficiency and enhancement of effectiveness are the primary targets of compliance. The idea of compliance at PharmaLex is based on various principles that employees should take into consideration for their daily work and their interactions with authorities and clients.

PHARMALEX'S PRINCIPLES OF REGULATORY COMPLIANCE



For a high standard of service conformity, we ensure that all services identified and controlled are in conformance with service requirements. PharmaLex is committed to continual improvement, and the company increases the efficiency of its systems by implementing monitoring, measurement and analysis processes to ensure conformity to regulatory compliance with local standards, laws and regulations.

► CLIENT SATISFACTION

At PharmaLex we strive to set industry standards in reliability and client satisfaction. As a service-based company, our workforce is our most vital asset. We are mindful of the fact that true client satisfaction, longevity and business growth can be achieved only through healthy relationships between the company and its people.

Our expertise and flexibility enable us to provide first-class, intelligent solutions. Our cost model and resources are scalable, thereby ensuring we

can offer different scenarios that include blends of local and offshoring options in order to tailor every solution to a client's unique requirements.

PharmaLex has four core pillars embedded deeply within our service delivery mechanism. Based on those four pillars, we strive to deliver exceptional results by performing above and beyond the standards so as to exceed clients' expectations. Our pillars aren't just words; they form the core foundation on which we conduct our business.



Flexibility

We deliver subject matter experts and tailored solutions, whether working on-site or remotely. We offer innovative solutions that help manage risks and optimize processes.



Efficiency

Our staff - 80% of whom have over 20 years of industry experience - collaborate on world-class new chemical entitles, new biologicals entitles, over-the-counter drugs, biopharmaceuticals and more. We quantify our efficiencies with key performance indicators installed for each project. Deliverables are tracked to be on time, be within budget and successfully pass client's internal reviews.



Passion

We thrive on navigating a highly regulated environment by utilizing some of the most experienced professionals in the field.



Dedication

We deliver subject matter experts and tailored solutions, whether working on-site or remotely. We offer innovative solutions that help manage risks and optimize processes.



SUSTAINABLE PROCUREMENT

Our commitment to the highest ethical and professional standards extends beyond our own operations to our supply chain. As a leading global company, we recognize our obligation to support sustainable and responsible value chains and to protect human rights, labor rights and the environment. Below we outline the core tenets of our management approach to sustainable procurement.

SUPPLIER CODE OF CONDUCT

Our Supplier Code of Conduct outlines the minimum requirements that suppliers must meet in order to do business with PharmaLex. The code forms the foundation of our systematic approach to cultivating a more sustainable and responsible supply chain. The code establishes minimum requirements across four broad categories: business practices and ethics; labor practices and human rights; environmental, health and safety regulations and protection; and governance and management systems.

SUPPLIER SUSTAINABILITY QUESTIONNAIRE

We have integrated a supplier sustainability questionnaire into our standard supplier request-for-proposal template. The questions posed raise awareness of our commitment to sustainability in the supply chain, provide options for our sourcing teams to use sustainability criteria in evaluating new suppliers and improve the quality of data we collect about the sustainability commitments and performance of new suppliers. In the future, we intend to enhance those sustainability questions to further determine the energy efficiencies of specific products and to evaluate the carbon emissions associated with our supply chain. Answers to the enhanced questions will also help us in making informed decisions about future engagements with suppliers from the perspective of material sustainability aspects.

We have developed and rolled out training for all procurement professionals at PharmaLex based on our sustainable supply chain initiative. The training describes our procedures for sourcing and managing a supplier throughout the lifecycle of the relationship and covers supplier selection, due diligence, contracting, supplier management, risk activities and supplier termination.

Key Performance Indicator	Numbers	Targets for 2022
Number of suppliers that signed the Supplier Code of Conduct	26	50%
Number of suppliers that have been assessed for sustainability and corporate social responsibility	26	50%
Percent of employees involved in procurement and who received training on sustainable supply chain	90%	100%

APPENDIX: GRI INDEX

GRI Standard	Disclosure	Page No.	Comments
General Disclosures			
Organization Profile			
GRI 102: General Disclosures 2016	102-1 Name of the organization	01	
	102-2 Activities, brands, products, and services	01	
	102-3 Location of operations	Frankfurt, Germany	
	102-4 Location of operations	03, 08	
	102-6 Markets served	08	
	102-7 Scale of the organization	08	
	102-8 Information on employees and other workers	08, 27	
	102-9 Supply chain	49	
Strategy			
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	05	
Ethics and Integrity			
GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behavior	43-44	
	102-17 Mechanisms for advice and concerns about ethics	43-44	
Governance			
GRI 102: General Disclosures 2016	102-21 Consulting stakeholders on economic, environmental, and social topics	11	
Stakeholder Engagement			
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	11	
	102-42 Identifying and selecting stakeholders	11	
	102-43 Approach to stakeholder engagement	11	
	102-44 Key topics and concerns raised	11	
Reporting Practice			
GRI 102: General Disclosures 2016	102-46 Defining report content and topic Boundaries	03	
	102-47 List of material topics	13	
	102-50 Reporting period	03	
	102-52 Reporting cycle	03	
	102-54 Claims of reporting in accordance with the GRI Standards	02	

Environment			
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	13	
	103-2 The management approach and its components	17-18	
	103-3 Evaluation of the management approach	17-18	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	17	
	302-3 Energy intensity	17	
Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	13	
	103-2 The management approach and its components	19, 21	
	103-3 Evaluation of the management approach	19, 21	
GRI 302: Energy 2016	305-1 Direct (Scope 1) GHG emissions	19	
	305-2 Energy indirect (Scope 2) GHG emissions	19	
	305-3 Other indirect (Scope 3) GHG emissions	19	
Waste			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	13	
	103-2 The management approach and its components	22	
	103-3 Evaluation of the management approach	22	
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	22	
Social			
Occupational Health & Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	13	
	103-2 The management approach and its components	30-31	
	103-3 Evaluation of the management approach	30-31	

GRI 403: Occupational Health & Safety 2018	403-3 Occupational health services	32	
	403-5 Worker training on occupational health and safety	31, 37	
	403-6 Promotion of worker health	32	
Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	13	
	103-2 The management approach and its components	36	
	103-3 Evaluation of the management approach	36	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	37	
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	13	
	103-2 The management approach and its components	33, 35	
	103-3 Evaluation of the management approach	33, 35	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	33	
Human Rights Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	13	
	103-2 The management approach and its components	34	
	103-3 Evaluation of the management approach	34	
GRI 412: Human Rights Assessment 2016	412-2 Employee training on human rights policies or procedures	37	
Local communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	13	
	103-2 The management approach and its components	38	
	103-3 Evaluation of the management approach	38	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	38-41	

▶ ASSURANCE STATEMENT



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Independent Assurance Statement

The Management and Board of Directors

Pharmalex India Private Limited
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Tower A, Maple Corporate Park
Sector 125, NOIDA, Gautam Buddha Nagar
Uttar Pradesh - 201301, India

Scope

We have been engaged by Pharmalex India Private Limited (hereafter "PharmaLex") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, hereafter referred to as the engagement, to report on PharmaLex's Sustainability Report CY 2021 (the "Subject Matter") for the period 1st January 2021 to 31st December 2021. **The assurance activity is performed for 21 facilities across the globe covered in the PharmaLex's Sustainability Report CY 2021.**

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by PharmaLex

In preparing the Sustainability Report CY 2021, PharmaLex applied the Global Reporting Initiative (GRI) Standards, in accordance with Core Criteria. GRI Standards - Core Criteria were specifically designed for Sustainability Report CY 2021 ; as a result, the subject matter information may not be suitable for another purpose.

PharmaLex's responsibilities

PharmaLex's management is responsible for selecting the Criteria, and for presenting the Sustainability Report CY 2021 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000'), and the terms of reference for this engagement as agreed with PharmaLex on 27th April 2022. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Sustainability Report CY 2021 and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Review of the standard disclosures as per GRI Standards regarding the company's material sustainability aspects contained in the report;
- Review of consistency of data / information within the report;
- Undertake assurance review of the data and information reported in the subject matter remotely for the following sample facilities

S.No.	Facility	Location
1	PharmaLex Germany	Friedrichsdorf , Germany
2	PharmaLex Ireland	Dublin, Ireland
3	PharmaLex Bulgaria	Sofia, Bulgaria
4	Headquarter	Frankfurt, Germany

- Review and execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation processes followed;
- Conduct interview of select representatives of Company's management to understand the current processes in place for capturing sustainability performance data as per GRI

Standards, the Company's sustainability vision and the progress made during the reporting period;

- Review of the Company's plans, policies, and practices, pertaining to their social, environment and sustainable development, to be able to make comments on the completeness of the reporting and degree to which EY believes the report provides a fair and honest representation of the Company's activities.

We also performed such other procedures as we considered necessary in the circumstances.

The assurance scope excludes:

- Data and information outside the defined reporting period-1st January 2021 to 31st December 2021;
- Data and information on economic and financial performance of the Company;
- Data, statements and claims already available in the public domain through Annual Report, or other sources;
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim or future intention;
- The Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters.

Conclusion

- Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Sustainability Report CY 2021 for the period of 1st January 2021 to 31st December 2021, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of PharmaLex and is not intended to be and should not be used by anyone other than PharmaLex.

For and on behalf of Ernst & Young Associates LLP.



Saunak Saha
Partner
21 September 2022
Kolkata, India

