



SOCIETAL[™]
CDMO

BRINGING SCIENCE
TO SOCIETY[™]



ESG HIGHLIGHTS REPORT
2022

CEO Letter



At Societal™ CDMO, we are proud to further our mission of “improving patients’ lives through client partnerships” every day. It is a higher calling and one that we take very seriously. The ability to manufacture medicines that will allow patients and their loved ones to live longer, healthier lives resonates through our company culture and the values by which we operate: Customer Obsessed, Always Accountable, Embrace Change, Be Inclusive, Build Trust, and Value Teamwork. Our commitment to our mission helps us achieve our vision, which is “to be a premier, trusted CDMO by bringing tailored solutions to our clients, while fostering engaging and rewarding careers for our people.”

An important philosophy that carries through everything we do, every day, is that of being an excellent corporate citizen. The emphasis being placed on Environmental, Social and Governance matters is nothing new to us. For years the company has ensured that we are operating our manufacturing facilities responsibly and sustainably. In terms of social commitments, we have added to our workforce expertise in Diversity, Equity, and Inclusion (DEI) best practices to ensure that our efforts are more fully representative of our entire workforce. We actively recognize multiple events which draw attention to the achievements and ongoing needs of historically under-supported communities. We foster strong relationships with the communities where we operate, participating regularly in community service events throughout the year. To further support and encourage all of our team members to give back to their communities and organizations that are important to them, we offer paid Volunteer Time Off. As you can see, a top priority is our people, and we are committed to maintaining an inclusive, engaging, and safe work environment. Our recent engagement survey confirmed that Societal is just that, resulting in our designation as a [Great Place to Work](#).

With regards to Governance, everything we produce for our clients and the patients ultimately receiving those therapeutics must be produced in compliance with FDA, DEA, and similar regulatory bodies across the world. This commitment to patient safety and quality is of tantamount importance and we are very proud of our track record in this area, both in terms of compliance and employee training. Our commitment reaches beyond manufacturing compliance, however; we also have a responsibility to our shareholders and other financial stakeholders. As a publicly traded company, we conduct ourselves in a transparent and ethical manner, utilizing the governance practices and professional firms as necessary to ensure we are open, honest, and compliant with federal and local filings and other financially related requirements.

I feel very privileged to write this introductory letter for our first ESG report. While this is our first formal ESG report, Societal’s and its predecessor companies’ ESG journey has been years in the making. It is just that – a journey, one that we are committed to advance and progress in the years ahead. On behalf of our board of directors, our leadership team and all of our team members, thank you for your support of Societal in this and all other areas of our business.

A handwritten signature in black ink, appearing to read "JDE", written over a light blue circular background.

J. David Enloe Jr.
PRESIDENT, CEO AND DIRECTOR



Who We Are

Societal is a bi-coastal contract development and manufacturing organization (CDMO) with capabilities spanning pre-Investigational New Drug (IND) development to commercial manufacturing and packaging for a wide range of therapeutic dosage forms with a primary focus in the area of small molecules. With an expertise in solving complex manufacturing problems, Societal is a leading CDMO providing therapeutic development, end-to-end regulatory support, clinical and commercial manufacturing, aseptic fill/finish, lyophilization, packaging and logistics services to the global pharmaceutical market.

In addition to our experience in handling DEA controlled substances and developing and manufacturing modified-release dosage forms, Societal has the expertise to deliver on our clients' pharmaceutical development and manufacturing projects, regardless of complexity level. We do all of this in our best-in-class facilities, totaling 145,000 square feet, in Gainesville, Georgia, and San Diego, California.



State-of-the-Art Facilities

Development		Commercial
<p>San Diego</p>  <ul style="list-style-type: none"> • Located in San Diego, CA • Size: 24,500 ft² • Opened 2014 • Current capacity (single shift): ~30–40%⁽¹⁾ • State of the art facility, FDA and FDB (CA) inspected <p>San Diego performs development work, focusing on Advanced Dosage Forms – Development Services (aseptic fill / finish, inhalation, etc.).</p> <p>California is the #1 state for life sciences VC investment⁽²⁾.</p>	<p>Chestnut</p>  <ul style="list-style-type: none"> • Located in Gainesville, GA • Size: 24,000 ft² • Opened 2018 • Current capacity (single shift): ~30–40% • Leased through 2025 with renewal options <p>Chestnut performs development and cGMP (pre-commercial) development manufacturing "work before tech transfer to Gould site. High potency commercial production remains at Chestnut.</p>	<p>Gould</p>  <ul style="list-style-type: none"> • Located in Gainesville, GA • Size: 97,000 ft² • Opened ~1985 • Current capacity (single shift): ~60% • Leased through 2042 with renewal options <p>Significant experience transitioning projects from late-phase development to robust, long-term commercial production.</p>

(1) Excludes new vial filler and lyophilizer services

(2) Source: California Life Science Association and PWC's *California Life Sciences Report 2020*.

Societal at a Glance



People

At Societal, our competitive advantage is our people. We are committed to providing a work environment that is inclusive, rewarding, and supportive.



Products

Our expertise in solving complex development and manufacturing challenges provides pharmaceutical product development and clinical and commercial manufacturing of tablets, capsules, liquids, and injectables, all with end-to-end regulatory support.



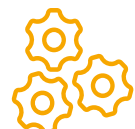
Compliance

Our quality systems are designed to comply with cGMP requirements as defined by the Food and Drug Administration (FDA), Drug Enforcement Administration (DEA), and foreign health ministries.



Safety

At Societal, safety is a top priority. Our Safety Committee oversees site safety audits, sets organization-wide goals, and manages our Good Saves Program, which encourages employees to advocate for and provide innovative safety solutions.



Supply Chain Efficacy

No matter the scope of a project, we deliver — priding ourselves on our ability to meet and exceed our clients' expectations.

Societal by the Numbers in 2022



Created Diversity Statement and established Diversity Core Value



Board of Directors identify as female



Executive management identify as female



Supported **7 non-profits** as an organization and many others through VTO hours



2,200 employee volunteer hours offered per year



Week-long **paid shutdowns** twice a year

275

Team members



62% Gainesville
24% San Diego
14% Remote



Supply chain efficacy & proven commercial reliability

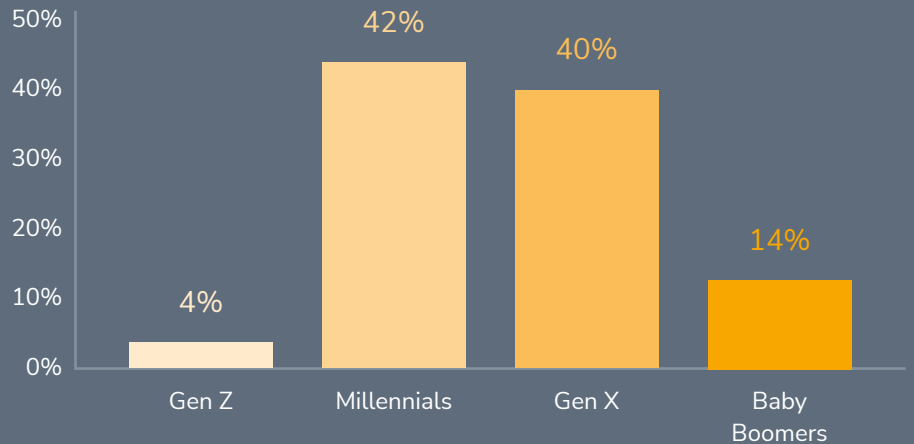
99%

On Time in Full (Commercial OTIF) greater than

95%

Right First Time (RFT) greater than

Team Member Generational Diversity





Oversight of ESG

Governance Structure

In 2022, a dedicated ESG committee was created to ensure our ESG efforts were well understood and guided at the board level.

We have a written set of corporate governance guidelines that are designed to help ensure effective corporate governance of our Company. Our Corporate Governance Guidelines cover topics including, but not limited to, director qualification criteria, director responsibilities, director compensation, director orientation and continuing education, the annual evaluations of our Board and its Committees and succession planning. Succession planning for the Board is critical to our success. Our goal is to achieve a Board that provides effective oversight of the Company through the appropriate balance of diversity of perspectives, experience, expertise and skills. Our Corporate Governance Guidelines are reviewed at least annually by the Governance Committee and amended by our Board when appropriate.



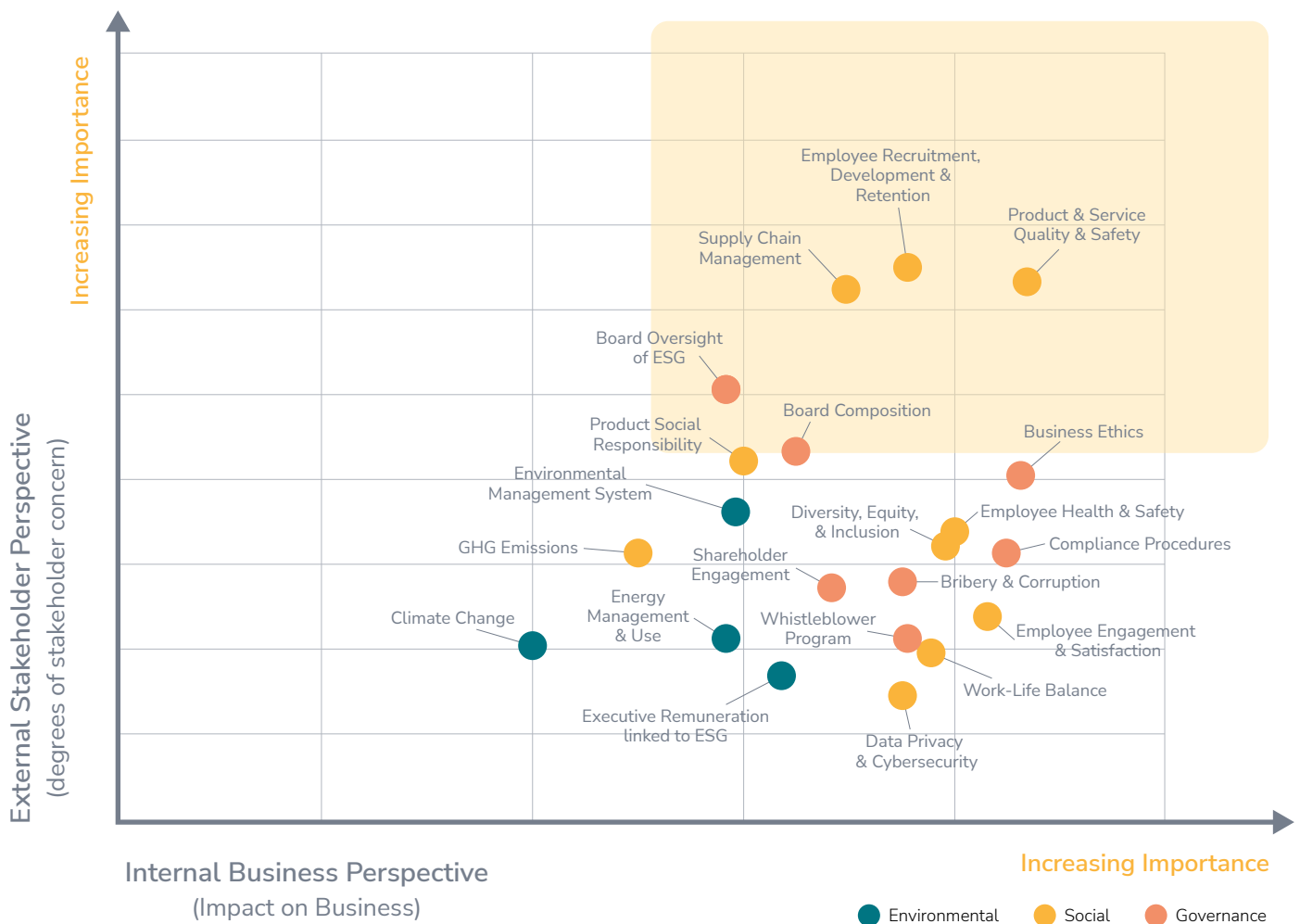
Identifying Our ESG Priorities

We recognize the importance of Environmental, Social, and Governance (ESG) initiatives as it relates to our business strategy and risk assessment. During 2021 and 2022, we took steps to develop a formal ESG program and began to report on our ESG efforts. As part of this work, we completed a materiality assessment of ESG matters most important to our business. These are: Product & Service, Quality & Safety, Employee Recruitment, Development & Retention, Supply Chain Management, Business Ethics & Compliance Procedures and Board Oversight of ESG. These topics, though not exhaustive, serve as guidance for our current ESG priorities. Through the growth of our organization and team, we will continuously evaluate what best serves the organization’s internal and external stakeholders.

Our materiality assessment considered investor and other stakeholder interests and is aligned with the requirements of ESG ratings agencies and with leading ESG frameworks, including the Sustainability Accounting Standards Board (SASB).

-  **Product & Service, Quality & Safety**
-  **Employee Recruitment, Development & Retention**
-  **Supply Chain Management**
-  **Business Ethics & Compliance Procedures**
-  **Board Oversight of ESG**

Societal Stakeholder Priorities





Environmental

Societal is committed to operating responsibly and sustainably while improving patients' lives through client partnerships. We strive to minimize our impact on the environment, including our emissions and efficient use of resources, at our facilities.

Energy

Through conscious efforts to better equip our sites with the tools to reduce the overall consumption of energy, our total energy use company-wide has decreased by nearly 29% in FY22, **totaling 61,322 Gigajoules**.

Since our Sustainability Team's inception in 2019, we have completed several projects to reduce the annual consumption of electrical power by approximately 6% and natural gas by approximately 4%. These projects include:

- Compressed Air System audit and leak repair
- LED Lighting retrofit through sites
- Thermal Oxidizer Setback
- Tuning and Demand Staging of Utility Equipment
- Installation of Smart Thermostats in all offices and common areas

Within our Georgia facilities, we also have an agreement in place with electrical provider, Georgia Power, to purchase 50,000 kilowatt-hours of renewable energy credits per year as a Large Volume member of the Simple Solar program.

For more than a decade, we have transitioned from antiquated fluorescent, incandescent, and arc lighting sources to modern LED replacements. In 2016, we completed the retrofitting of light fixtures in manufacturing and quality control areas (with the exception of explosion proof fixtures). To date, at our main Gainesville, GA site, the following improvements have been made: 98% manufacturing lighting, 90% QC Area lighting, 25% of the Engineering building lighting, 50% Utility building lighting, 95% Outdoor lighting, and 60% of front office lighting has been replaced or converted to LED.

Water

We saw an overall decrease in water usage in 2022 company-wide, measuring 11,857 cubic meters total. Several projects have been undertaken to reduce water usage, including:

- Steam System Feedwater Upgrade
- Sanitary Pump Upgrade
- Replacement of all Pre-1994 Plumbing Fixtures

All of these projects together have resulted in a reduction in usage of over 90,000 gallons of water annually. As we look forward toward the additional conservation of water, future projects include the use of “grey” wastewater for site irrigation and the upgrade or replacement of older inefficient cooling towers.

Waste

In 2021, we generated 21 metric tons of hazardous waste. Through stringent management of lab chemical inventories, we successfully reduced lab pack disposal volumes by 65% in 2022. We make every effort to recycle solvents, mercury containing fluorescent lamps, batteries and steel drums. We have recycled approximately 12g of mercury from the removal of fluorescent lamps and over 1 ton of batteries, since 2010.

reduction in
usage of over
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annually

reduction in lab
pack disposal
volumes by
65% in 2022





Social

We are committed to providing a work environment that is inclusive, challenging, and supportive, while having a positive influence on our communities.

Employee Health & Safety (EHS)

Employees receive EHS-focused training on a monthly basis, ranging from regulatory compliance to industry best practices. Departments hold monthly safety meetings covering a wide variety of applicable safety topics such as hazard communication, personal protective equipment (PPE), lab and material movement safety, fall protection and many others.

All sites regularly receive third party EHS Audits, and all levels of the organization are involved in ensuring the health and safety of our workforce. Area safety assessments are completed monthly by each department, in addition to site leadership area safety “walk-throughs,” fostering risk awareness.

Our “Good Save” program encourages employee identification of workplace or other potential hazards. The program serves to encourage employee suggestions, allows for a process for hazard recognition and mitigation, and creates awareness. We implemented 29 Good Saves in

2022 in manufacturing, warehouse and other areas across our sites. Goals for Good Saves, EHS training topics, Safety Meetings and Safety Audits are established each year by the Site Safety Committee. The Site Safety Committee is a cross section of each department, which facilitates hazard recognition training and performs area safety inspections monthly.

Learning & Development

We support a learning-based culture and are committed to infusing learning into all facets of the employee journey to support personal and career development.

This year we launched LinkedIn Learning, which provides tailored learning paths based on role and personal learning interests. Within weeks of the launch 90% of our teams activated their account and viewed over 1,000 courses. To build on our teams’ skills we provide department-specific technical training programs and various levels of leadership development. This equips new team members with the knowledge they need to be successful in their role as well as develops tenured employees’ new technical skills. We also encourage team members’ development through our education assistance program which provides eligible full-time employees up

to \$5,250 per year in reimbursement towards continued education. Additionally, we support various other external learning opportunities such as conferences, webinars and other industry education programs.

We understand that individuals face all types of challenges in their personal lives. That is why we offer confidential counseling and connections to community agencies through our employee assistance program (EAP) for employees and their family members. We also provide access to many wellbeing resources, seminars and training through our online learning platforms.



Financial

We offer benefits and programs to help employees reach their short and long-term financial goals. This includes free, personalized, financial planning support and matching 401(k) contributions of up to 5% of eligible pay on a dollar-for-dollar basis. We also offer legal services in areas such as estate planning, real estate planning and family & personal action.

To compete in this competitive industry, we offer a comprehensive total rewards package that is flexible to fit the diverse needs of our employees. Our pay-for-performance compensation approach recognizes and rewards performance with competitive and fair pay for the work done, at all levels of our company, equity-based awards, and short-term incentives.

Employee Wellness

Wellbeing is an important part of the employee experience. We are committed to supporting our team members' mental, emotional, physical and financial wellbeing. That is why we provide benefits that help them thrive at any stage of their lives.

Physical

We continue to offer multiple medical and dental benefit plans to suit team members' needs. Our plan designs are richer and more cost effective than recent benchmarks. Based on employee feedback we introduced critical illness and accident plans that provide additional coverage for unexpected medical expenses.

Mental and Emotional

We strongly believe that time off is important for wellbeing, therefore we provide time away from work for employees to care for themselves, their family, and their community. We have increased our paid parental leave to six weeks, we provide Paid Time Off, holidays, Paid Sick Time and two weeks of company paid shutdowns during the year. This year, we also implemented Volunteer Time Off to support and encourage all employees to become involved in giving back to their communities.

Employee Engagement

All team members play a crucial role in accomplishing our mission of improving patients' lives through client partnerships. Some employees work hands-on developing and supporting client products while others utilize their expertise in many other ways, but all have an opportunity to positively affect countless lives. We know this resonates with our team members because in a recent survey, over 90% said they understand how their role supports the mission of the organization and over 80% feel they are a part of a collaborative team and are empowered to come up with new and better ways to solve problems.

80% of our team members say Societal is a great place to work

We also believe work should be engaging and fun! That is why we introduced two new ways to recognize our colleagues this year.



“High Five” Program This program encourages peers and leaders to recognize others in the moment for the valuable contributions they make each day. Each month over 65% of team members share stories about others living our cultural values.



Monthly Appreciation Each month we celebrate all that we have done collectively to further our mission and vision. This is a time to enjoy food, recognize our accomplishments, socialize and have fun.

We believe that flexibility is important, and that people do their best work in different ways, which is why we support office, remote and hybrid work.

Recruiting a Diverse and Talented Workforce

Our recruitment efforts are designed to attract and engage candidates from diverse backgrounds that can further our company’s mission, vision, and core values. Our in-house recruitment efforts are designed to expand our candidate pipeline and target diverse qualified candidates through multiple avenues with our applicant tracking system technology, employee referral program, partnerships with diversity job boards and local community organizations such as the Hall County Chamber of Commerce & Hispanic

Alliance of Georgia. As an equal opportunity employer, we provide opportunities to all qualified applicants, internal and external, as we believe every employee plays a critical role towards accomplishing our mission.

To ensure a consistent, equitable interview process we work collaboratively with our department leaders and external resources to apply diverse recruiting initiatives and a structured interview process to have a workforce that reflects the communities we serve.

Diversity, Equity & Inclusion

Diversity, Equity and Inclusion (DEI) is a continued focus for Societal as we believe that a diverse team that feels included and valued will be more engaged and contribute to greater business success. We foster a culture of belonging, where we are all encouraged to openly share thoughts, ideas and perspectives and encourage all to reach their full potential. We have infused this through our cultural value of Be Inclusive, in our diverse recruiting program and with our learning and development opportunities. Looking ahead we are committed to furthering these principles through our culture and providing equitable pathways to personal and professional development opportunities.



In our most recent engagement survey, over **86%** of employees said they are treated fairly regardless of race, gender or sexual orientation.

We believe that the company’s investment in, and a strong commitment to, diversity, equity & inclusion will solidify Societal as a great place to work and a premier, trusted CDMO that brings tailored solutions to our clients while fostering engaging and rewarding careers for our people.

Led by our Chief People Officer, we are committed to putting resources and attention toward attracting diverse talent, supporting engagement, and development of our team members.



40% females in leadership

44% females in the organization



37% People of Color (POC) in leadership

47% POC in the organization



59% new hires in 2022 were POC

53% new hires in 2022 were female

* At Societal we understand that there are more gender identities than the binary choice of female/male that is issued for standard reporting.

Quality Management System

Societal maintains a quality system that is designed to be compliant with GMP requirements as defined by the US Code of Federal Regulation Part 210, 211 and in accordance with the European Commission Directive 2003/94/EC, consistent with current industry standards.

As mentioned in our [Product Quality and Safety Policy](#), data integrity is a company priority and is built into all of our systems from the quality manual to procedures to executable documents. It includes manual documentation as well as electronic systems. Wet signatures or electronic signatures, all assure that data generated is attributable, legible, contemporaneous, original, and accurate. In addition, the data is confirmed to be complete, consistent, enduring, and available (ALCOA+). Our employees are encouraged “say something if they see something” and promptly report any issues.



Supply Chain Management & Supplier Compliance

We believe we have a responsibility to help make the world a better place. We are committed to conducting business ethically and in compliance with all applicable laws. We expect no less from the companies with which we do business. In addition to complying with laws and regulations and any agreed upon contract, Societal expects that our suppliers adhere to our [Supplier Code of Conduct](#), which provides guidance for doing business with Societal, and supports our mission to improve patients' lives through our client partnerships.

The core tenets of our Supplier Code of Conduct include fair employment practices, protections against discrimination, abuse and harassment, fair competition, business continuity planning, Environmental Health & Safety advancement as well as compliance with all local and federal laws and regulations.

We are committed to continually work to improve our operations and expect our business partners to promote similar principles throughout their supply chain.

Data Privacy & Cybersecurity

We take cyber security seriously and protecting information is important to us. As such, we have robust cyber security processes, practices, and controls to protect our clients and digital information. Our controls cover everything from email, monitoring and reporting incidents, network servers, remote access, risk oversight and management, our end-users, and their devices. We have implemented strict and continuous network monitoring to alert us to suspicious activity. In addition, our employees participate in monthly training to ensure they are current on the latest cybersecurity threats and activities. All practices are upheld to industry standard by the head of IT, the executive leadership team, and the board of directors who oversee our cybersecurity and data privacy protocol.

**data integrity is a
company priority
that is built into
all of our systems**



Governance

We are committed to high legal and ethical standards and adhering to those standards is of the utmost importance to us and our employees. A clear governance structure oversees every aspect of our operations and ensures we act with integrity while pursuing our business objectives.

Business Ethics and Policies

At Societal, we value responsibility and integrity. Our [Code of Conduct](#) contains general guidelines for conducting business with the highest standards of ethics. Our Board of Directors reviews our Code of Conduct annually and our employees are required to review and agree to the Company's expectations related to their business-related conduct on a yearly basis. Policies and expectations on several topics, including but not limited to conflicts of interest, compliance with laws, use of company assets, and our general business practices can be viewed within our Code of Conduct.

Whistleblower Program

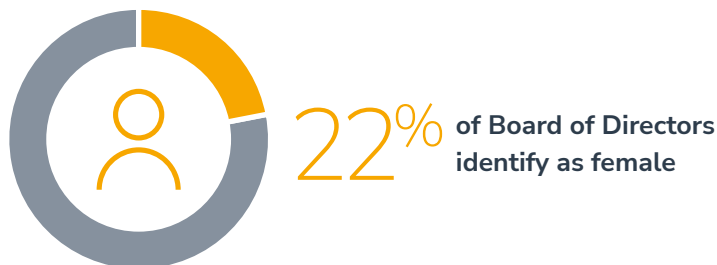
We are an environment where open, honest communications are the expectation, not the exception. We want employees to feel comfortable in approaching leaders in instances where violations of policies or standards have occurred and prohibit retaliation for reports made in good faith. We also provide the option to report anonymously through our hotline, hosted by an independent third party, toll free or online, available 24 hours a day, 365 days a year, and in English and Spanish. It is available to all parties.

All reports are received by the Compliance Officer, and matters are assigned for investigation or other disposition as appropriate. Helpline reports and dispositions are reviewed not less than quarterly by the Audit Committee.

Board Diversity

Board diversity and inclusion is critical to our success. The Board is committed to building a Board that consists of the optimal mix of skills, expertise, and diversity capable of effectively overseeing the execution of our business and meeting our evolving needs, with diversity reflecting gender, age, race, ethnicity, background, professional experience and perspectives. The Governance Committee considers the value of diversity on the Board in evaluating director nominees. Accordingly, the Governance Committee’s evaluation of director nominees includes consideration of their ability to contribute to the diversity of personal and professional experiences, opinions, perspectives and backgrounds on the Board.

As presently constituted, the Board represents a deliberate mix of members who have a deep understanding of our business as well as members who have different skill sets and points of view.





For more information about Societal,
visit, societalcldmo.com

Cautionary Statement Regarding Forward Looking Statements

The disclosures included in this report are being provided to the public in an effort to provide transparency into our environmental, social and governance initiatives. This report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The words "anticipate", "believe", "could", "estimate", "upcoming", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases may be used to identify forward-looking statements in this report. Such statements are subject to numerous important factors, risks and uncertainties that may cause actual events or results, performance, or achievements to differ materially from the company's current expectations, including risks relating to, among others global socio-demographic and economic trends, climate-related conditions and weather events, legislative and regulatory changes, and other unforeseen events or conditions and the risks discussed in our filings with the Securities and Exchange Commission at www.sec.gov. These forward-looking statements are based on information currently available to us, and we assume no obligation to update any forward-looking statements except as required by applicable law.