accelerating science, **reimagining health**

2021 CORPORATE CITIZENSHIP REPORT

charles river | every step of the way.

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From our CEO

ACCELERATING SCIENCE, REIMAGINING HEALTH

This year, Charles River Laboratories celebrates 75 years of innovation. Founded in 1947, Charles River has evolved into a leading drug discovery and nonclinical development company with a distinctive, deep, and powerful portfolio of essential products and services. Though proud of our past, we are enthusiastic about our future and the promise of further scientific innovation and progress, as we provide new modalities and emerging therapies for our clients and the patients who need them. Charles River is at a unique inflection point, and a future filled with opportunity.

Charles River is committed to being the indispensable, global scientific partner for our clients, by providing scientific expertise and collaboration to help them move their programs forward every step of the way—from target discovery through candidate selection, nonclinical development, and safe manufacture. We work alongside our clients to make critical decisions faster, and to help deliver innovative, safe, and effective medicines and therapies to patients as quickly and efficiently as possible, ultimately reducing time to market and lowering costs. We have demonstrated the value we provide and believe that is why our clients have trusted us to work on more than 85% of the novel drugs approved by the U.S. Food and Drug Administration (FDA) in 2021.

Most recently, we have established Charles River as a premier scientific partner for cell and gene therapy (C&GT) development, testing, and manufacturing. As the healthcare industry increasingly invests in the potential of C&GT, Charles River can help transform the world of drug development—changing the way medicines and therapies are discovered, developed, and delivered, by introducing potentially curative therapies for diseases that have high patient need, and by bringing the promise of personalized medicine from concept to reality.

As our world continues to contend with the effects of the COVID-19 (COVID) pandemic, it is clear that contributions made through biomedical innovation have become critical for global society. Charles River has never been more essential to our clients, and our influence on healthcare has never been more important. Our resilience through the pandemic has enhanced our position as the partner of choice for our clients' nonclinical research needs. The role that we play in biomedical research is of even greater importance during these extraordinary times, as we work collaboratively with our clients to discover and develop new therapies for the treatment of disease, including COVID. We are proud to have worked on every COVID vaccine approved for either emergency use or fully approved by the FDA and the United Kingdom Medicines and Healthcare Products Regulatory Agency. Our ability to dramatically impact the drug development process, and ultimately patients' lives, is unquestionable, and we are at the forefront of biomedical research as a trusted partner to help bring life-saving treatments to market.

For everyone at Charles River, our unifying connection, motivation, and driving force is our purpose: Together, we create healthier lives. It is the foundation of our Company's success and the key to our continued future growth and achievement. We approach each day with the knowledge that our work helps to improve the health and well-being of many worldwide, which is reflected in an uncompromising dedication to the highest standard in all that we do. We have made a commitment to ourselves and our clients to eliminate a year from the drug development process, thus accelerating early-stage development timelines and delivering drugs to market faster. To accomplish this goal, one of our key objectives is to utilize our scientific expertise, augmented by best-in-class services and technology, to streamline collaboration and enhance connectivity with our clients and speed up the development process.

Charles River is committed to being the indispensable, global scientific partner for our clients, by providing scientific expertise and collaboration to help them move their programs forward every step of the way.

As we live our purpose at work every day, we are also committed to being good corporate citizens to maximize our global impact by promoting and supporting business practices that are environmentally sustainable, socially conscious, and aligned with sound corporate governance practices. This ethos is embedded in our culture and extends across our entire organization. The core of our commitment to corporate citizenship is to "be the difference," working together to create positive impact for our stakeholders—our clients and partners, our people, our communities, and our planet.

We continue to make significant strides in progressing our environmental, social, and governance (ESG) efforts and programs, including publishing this Corporate Citizenship Report in accordance with Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) standards. Guided by our mission and commitment, and in alignment with our strategy, business model, and core values, the Charles River approach to corporate citizenship is focused on four pillars: Our Leadership, Our Environment, Our Communities, and Our People.

Our Leadership

Our commitment to operating our business with integrity and accountability is reflected in our documented corporate citizenship priorities and programs, including clearly incorporating oversight responsibility within the Board of Directors, and creating a formal ESG Governance Council to drive results throughout the Company. We also completed a comprehensive ESG materiality assessment in 2021, to affirm the ESG issues that matter most to our business and our stakeholders. As expected, animal welfare, quality assurance, technology and innovation, diversity and inclusion, talent engagement and management, and climate change are among the topics identified as strategic priorities for Charles River, and we are taking action to manage, advance, and disclose our initiatives across these key areas.

As a member of the Standard and Poor's 500 (S&P 500) and a recognized leader in our industry, we launched the first Charles River Annual Healthcare Collaboration Report in 2021, which identified perceptions of healthcare's strengths and weaknesses, general knowledge of drug and vaccine development, and key future priorities for the healthcare industry in the U.S.

Our Environment

We are committed to embedding working safely and sustainably into everything we do and every decision we make. Our climate change goal is to reduce global greenhouse gas (GHG) Scope 1 and 2 emissions from Charles River facilities by 50%, and Scope 3 GHG emissions by 15%, by 2030.

We are making measurable progress towards these goals by reducing energy use in our facilities and increasing the amount of renewable electricity we utilize. Charles River entered into virtual Power Purchase Agreements (vPPAs) for both North America (solar) and Europe (wind), to supply facilities in those regions with 100% renewable electricity beginning in 2023. In addition, sustainability projects that will reduce and avoid annual Scope 1 and 2 GHG emissions by approximately 3% were approved and funded in 2021 under the Charles River Sustainability Capital Fund, a $5 million annual commitment to support sustainability projects through 2030. In total as of the 2021 year-end, we have achieved a 25% reduction in Scope 1 and 2 GHG emissions.

Our Communities

In addition to supporting the biomedical industry and our people throughout the pandemic, Charles River also remains committed to investing in the geographies where we live and work, contributing our time and resources to more than 415 community organizations in 2021 aligned with our priorities of Health Outcomes, STEM Education, and Thriving Communities. Also in 2021, we established the Charles River Employee Relief Fund for the purpose of helping Charles River employees facing financial difficulties after a natural disaster or an unforeseen personal hardship.

Our People

At Charles River, we are focused on building a culture of purpose, learning, and quality outcomes. Our exceptional client-focused approach, which helps to distinguish us from other companies, begins with our people. We strive to attract the best talent to work at Charles River, then inspire each employee to bring their best self to work each day. We are committed to creating a work environment built on trust, inclusion, accountability, and respect, to give every person the ability to deliver on business commitments, while having purpose, being energized, and continuously learning. We are pleased to receive recognition of these efforts, as Charles River was named "a great place to work" by several surveys globally.

We continue to strengthen our culture at Charles River by listening to and acting on employee feedback. In 2021, we evolved this strategy to offer more frequent employee engagement pulse surveys, allowing us to drive meaningful positive change for our teams across the Company with greater frequency and flexibility. We also launched Employee Resource Groups (ERGs) globally, forming seven groups with more than 800 members at year end, aimed at bringing together people from across the Company to strengthen our culture of belonging and inclusion, build engagement, and provide career development opportunities.

Our commitment to enhancing the scientific expertise and innovative technologies that we offer to our clients enables our people to drive meaningful change throughout the drug development process and united by our purpose to create healthier lives, our collective efforts are powerful. As the partner of choice for our clients' end-to-end nonclinical research needs, we can accelerate drug discovery, development, and manufacturing to deliver safe, effective, and potentially life-saving therapeutics to patients who need them. It has never been more important for Charles River to continue to make a lasting impact on accelerating science and reimagining health.

Together, we create healthier lives.

Sincerely,

James C. Foster
Chairman, President, and Chief Executive Officer

About This Report

Charles River's 2021 Corporate Citizenship Report describes our corporate citizenship priorities and commitments in four key areas:

- **Our Leadership:** Conducting our business with transparency and integrity
- **Our People:** Building a culture of purpose, learning, and quality outcomes
- **Our Communities:** Supporting the geographies where we live and work
- **Our Environment:** Working safely and sustainably

Stakeholder Engagement

At Charles River, we believe active engagement with stakeholders is essential to our success, and for building strong, mutual relationships that inform our Environmental, Social, and Governance (ESG) practices, policies, and priorities. We identify stakeholder groups in coordination with executive leadership and the Board of Directors (Board), as well as subject matter experts (SMEs) and employee working groups across Charles River. We regularly engage our stakeholders through both formal and informal processes that allow us to identify and proactively address emerging ESG needs, risks, and opportunities. We connect with our stakeholders in a variety of ways, including:

- **Employees:** engagement surveys, communications via email, Company portal, digital signage and social media, webcasts, Town Hall meetings, and ethics hotline
- **Clients and Partners:** email, surveys, client panels and meetings, site visits, tradeshows and events, website and live chat, social media, and digital portals
- **Investors:** annual shareholders meeting, quarterly earnings calls, U.S. Securities and Exchange Commission (SEC) filings, website, conferences, site tours, and direct engagement via email, telephone calls, and meetings
- **Suppliers:** annual and periodic meetings with key suppliers, and environmental survey of top suppliers by GHG emissions
- **Government and Industry Associations:** participation as panelists at policy meetings, industry association memberships and participation, and compliance inspections, audits, and inquiries
- **Local Communities:** volunteer support and philanthropic giving

To continue to evolve our corporate citizenship efforts, in 2021 we engaged an independent, third-party advisor to conduct an ESG materiality assessment adhering to requirements of the Global Reporting Initiative (GRI)—a leading global framework for ESG reporting. The GRI assessment process identified, mapped, and prioritized ESG issues, risks, and opportunities in terms of importance to Charles River's business and to our stakeholders. The process included the following actions:

IDENTIFYING TOPICS

- Evaluated 20 potential ESG topics
- Secured topic input from key internal and external stakeholders
- Analyzed industry, market, and regulatory data
- Conducted thorough review of emerging trends
- Performed peer research and benchmarking

ENGAGING STAKEHOLDERS

- Engaged with internal SMEs to fine-tune topic list and identify possible impacts, risks, and opportunities across Charles River's value chain
- Interviewed 26 internal and external stakeholders
- Validated results and affirmed alignment on highest priorities

PRIORITIZING RESULTS

- Assigned each topic a value based on importance to Charles River's business and stakeholders, to identify the highest priority ESG topics
- Reviewed highest priority topics to understand ESG reporting priorities

Corporate Citizenship Priorities

Priority ESG topics in this report include those identified during our materiality assessment:

OUR LEADERSHIP

Conducting our business with transparency and integrity

- Animal Welfare
- Data Security and Privacy
- Governance
- Human Rights
- Impact on Healthcare
- Legal Compliance and Ethics
- Quality Assurance and Management
- Regulatory Affairs and Compliance
- Technology and Innovation

OUR PEOPLE

Building a culture of purpose, learning, and quality outcomes

- Diversity, Equity, and Inclusion
- Employee Engagement and Development
- Employee Well-Being
- Health and Safety
- Talent Attraction and Retention

OUR COMMUNITIES

Supporting the geographies where we live and work

- Community Involvement

OUR ENVIRONMENT

Working safely and sustainably

- Climate Change and GHG Emissions
- Supply Chain Management
- Waste
- Water

Reporting Practices

The 2021 Corporate Citizenship Report focuses on Charles River's ESG commitments and practices covering all Company operations and locations, unless otherwise noted. This report is prepared in accordance with both the GRI Standards: Core option, and the Sustainability Accounting Standards Board (SASB) Biotechnology & Pharmaceuticals Standard. In some cases, data and information in this report related to our priority areas may include programs and activities underway prior to our most recent reporting year. This is Charles River's second Corporate Citizenship Report. We published our previous corporate citizenship report in December 2020.

Charles River is committed to sharing our corporate citizenship progress with our stakeholders, including publishing our Corporate Citizenship Report biennially, updating our ESG Performance Data Table annually, and regularly refreshing our website. These materials and related information are available on the Corporate Citizenship section of our Company website.

In 2021, Charles River is restating Science Professionals with Advanced Degrees, Percentage of Employees Receiving Regular Performance Reviews, and Part-Time Employee data reported in the 2019 and 2020 ESG Performance Data Tables. Science Professionals with Advanced Degree data has been updated to include Ph.D.s, D.V.M.s, and M.D.s.; regular performance review data more accurately reflects completed reviews; and Part-time Employee data now defines part-time employees as less than full-time, based on the working hours of each country. These changes are reflected in our 2021 ESG Performance Data Table.

Report content is assured through an internal review process, including executive oversight and subject matter reviews and validation. A third-party consultant calculates and verifies the accuracy of our Scope 1, 2, and 3 emissions data using the GHG Protocol Corporate Accounting and Reporting Standard. Our data is currently in the process of being verified, and our verification statement will be posted on our website as soon as this is complete.

We welcome feedback and questions about this report. Please direct inquiries regarding our corporate citizenship and ESG disclosures, efforts, and commitments to CorporateCitizenship@crl.com.

our company

ACCELERATING SCIENCE, REIMAGINING HEALTH

Charles River is committed to providing the scientific expertise our clients require when and where they need it. Our goal is to be the preferred global collaboration partner for our clients, supporting them every step of the way—from target discovery through the manufacture of innovative, safe, effective, and ultimately lower-cost therapies for the patients who need them.

CHARLES RIVER LABORATORIES AT-A-GLANCE

Founded: 1947

Headquarters: Wilmington, Massachusetts

Operations: 100+ locations in 20+ countries

Employees: 20,000+ worldwide

Revenue: $3.54 billion in FY2021

Service Areas: Basic research, discovery, safety and efficacy, clinical support, and manufacturing

Clients: Leading pharmaceutical, biotechnology, agricultural and industrial chemical, life science, veterinary medicine, medical device, diagnostic and consumer product companies, contract research and contract manufacturing organizations, and other commercial entities, as well as leading hospitals, academic institutions, and government agencies

Health Impact: Worked on 80%+ of U.S. Food and Drug Administration (FDA)-approved drugs since 2017, including more than 85% in 2021, and originated 90 candidate compounds (novel molecules) for clients since 1999

Ownership: Publicly traded (NYSE: CRL)

About Charles River Laboratories

Charles River Laboratories (NYSE: CRL) is dedicated to anticipating and addressing tomorrow's global drug research and development needs. We are a nonclinical Contract Research Organization (CRO) headquartered in Wilmington, Massachusetts, providing a full suite of products and services that span from target identification and discovery through nonclinical drug development and manufacturing.

Our products and services help to both identify and determine the efficacy and safety of potential molecules for future drug development, as well as support our clients' manufacturing activities, including our recently acquired C&GT contract development and manufacturing (CDMO) business.

As the partner of choice for our clients' nonclinical drug research and development needs, we differentiate ourselves through our broad portfolio, scientific expertise, global scale, and excellent service. We enable our clients to create a more flexible drug development model that reduces their costs, enhances their productivity and effectiveness, and increases speed to market. We are committed to collaboration, responsibility, and leadership within the global research community.

crl dna

CARE

- Do the Right Thing
- Develop People and Teams

LEAD

- Shape our Future
- Innovate and Drive Change
- Set the Pace

OWN

- Act Like an Owner
- Develop Self
- Show Courage

COLLABORATE

- Work Inclusively

2021 CONTRIBUTIONS:

More than 85%
of FDA-approved drugs

93% of oncology drugs

87% of rare disease/ orphan drugs

75% of infectious disease drugs

Our Values and Culture

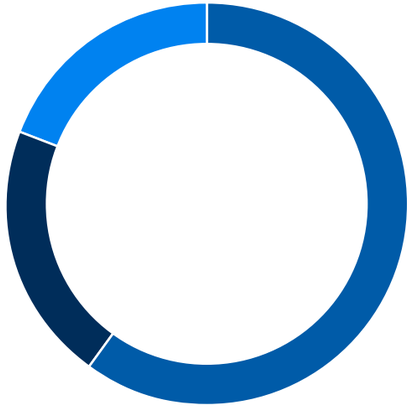
At Charles River, our values, mission, and culture of care are the core tenets embedded in everything we do. We believe that supporting our communities and setting a strong example for corporate citizenship are simply the right way to do business. Every Charles River employee is an essential part of our commitment to promote and support environmentally sustainable, socially conscious, and responsible business practices.

Our values foster a strong sense of purpose and a commitment to excellence at every level of our organization. Our newly developed employee behaviors, which we refer to as our CRL DNA, provide the foundation for how each of us can drive meaningful change throughout our organization. To learn more about Charles River and our values, please refer to the Values section of our website.

Our Capabilities

Since 1947, Charles River has been in the business of providing research models required for the research and development of new drugs, devices, and therapies. We are the industry-leading, global provider of research models, and we have built upon this legacy to develop a diverse portfolio of products and services that spans the entire drug continuum from discovery to development and manufacturing. Charles River is committed to providing the scientific expertise our clients require when and where they need it. Our goal is to be the preferred global partner for our clients, supporting them every step of the way – from target discovery through the manufacture of innovative, safe, and effective therapies for the patients who need them. Our broad portfolio of products and services allows clients to enhance productivity and effectiveness, while reducing costs and increasing speed to market. To learn more about our portfolio of products and services, please refer to the Our Capabilities section of our website.

OUR PRODUCTS AND SERVICES PORTFOLIO ARE DIVIDED INTO THREE MAJOR BUSINESS SEGMENTS:



60% Discovery and Safety Assessment (DSA)

21% Manufacturing Solutions (MFG)

19% Research Models and Services (RMS)

DSA

Our DSA segment streamlines clients' drug discovery and nonclinical development in all major therapeutic areas through two businesses: Discovery Services and Safety Assessment. As the largest provider of drug discovery and safety testing services worldwide, we provide support and services for the early drug development process, including regulated (good laboratory practices GLP) and non-regulated (non-GLP) Safety Assessment services, as well as nonregulated Discovery Services to assist in the identification, screening, and selection of a lead compound for drug development.

Manufacturing

Our Manufacturing segment is composed of three businesses: Microbial Solutions, Biologics Solutions, and Avian Vaccine Services. We are a trusted provider of products and services that help clients produce safe, high quality, regulatory-compliant products. Microbial Solutions provides clients with microbial detection products and services for conventional and rapid quality control testing. Biologics Solutions provides CDMO solutions for cell and gene therapies (C&GT) and performs specialized biologics testing to ensure clinical drug candidates and commercial drugs are consistent, correctly defined, stable, and contaminant-free. Avian Vaccine Services supplies specific pathogen-free chicken eggs for use as a raw material for human and veterinary vaccine applications.

RMS

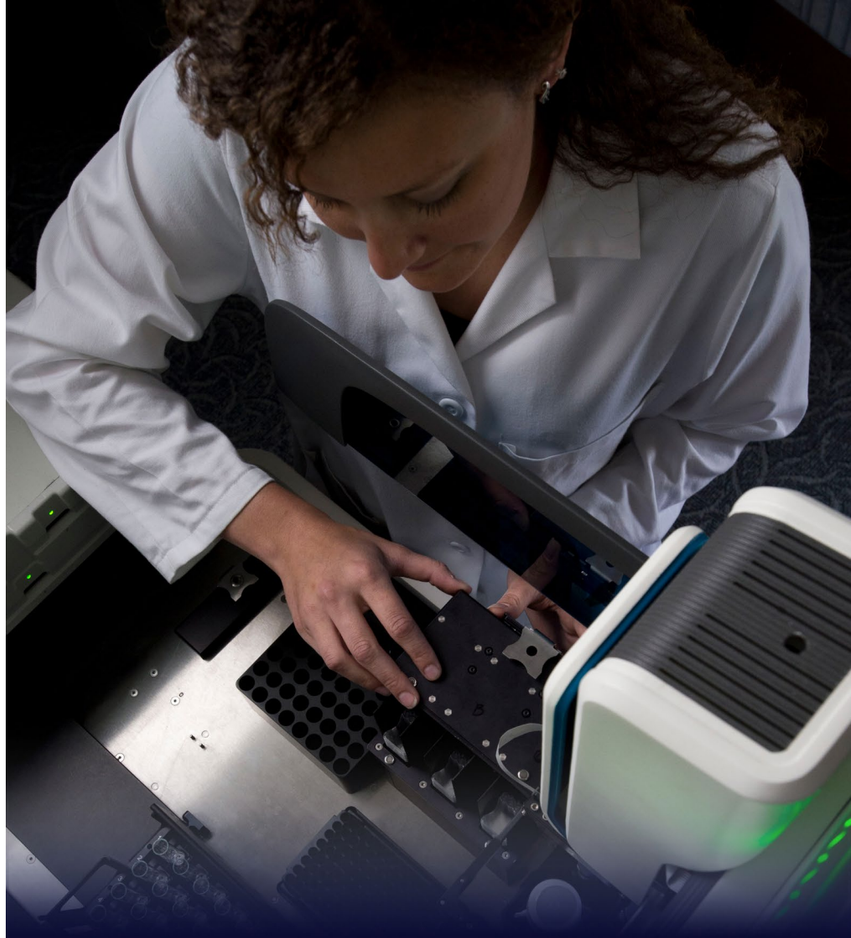
Our RMS segment is composed of three businesses: Research Models, Research Models Services, and Research and GMP-Compliant Cells. We are a global leader in the production and sale of the most widely used research model strains, principally highly specialized, and purpose-bred research models for use by researchers. Research Models produces the industry's largest and most extensively used catalog of models and unique research model strains for developing new drugs, medical devices, and cell therapies. Research Models Services provides a variety of related services to support our clients in the breeding, management, and use of research models in the research and screening of nonclinical drug candidates. Research and GMP-Compliant Cells provide human-derived cellular materials used in the production and development of cell therapies.

Broadening C&GT Capabilities

Charles River is on the leading edge of supporting the development of novel therapeutics. C&GT is a rapidly evolving area of biomedical research and drug development that treats various diseases at the cellular level—with the potential to offer longer-lasting effects than traditional medicines. Both cell and gene therapies aim to treat, prevent, or potentially cure diseases, and have the potential to alleviate the underlying cause of genetic diseases and acquired diseases. These therapies involve extracting cells, protein, or genetic material (DNA) from a patient or donor, and altering them to provide a highly personalized therapy, which is reinjected into the patient.

The promise offered by C&GT is tempered by the challenges associated with development. For our clients, identifying a trusted partner and advisor to guide, innovate, and navigate the process is critical. Our integrated portfolio enables faster, more efficient, higher quality, and lower cost delivery of C&GT. By leveraging our global footprint, experience, and expertise, we are uniquely positioned to become an industry leader and provider of comprehensive solutions for C&GT research, development, and manufacturing. By continuously innovating and expanding our portfolio of products and services, we have supported the development of 10 FDA-approved C&GTs, and in 2021 conducted more than 1,000 C&GT studies. To learn more about our C&GT services, please refer to the Cell and Gene Therapy Services section of our website.

Our evolution into the CDMO space allows Charles River to leverage our team of C&GT, scientific, and regulatory experts to provide a comprehensive, end-to-end offering of C&GT manufacturing products and services to support our clients from early discovery to commercialization. Our premier C&GT offering and our global footprint drive operational efficiency for our clients and accelerate the delivery of therapies to those who need them. To learn more about our CDMO capabilities, please refer to the C&GT CDMO section of our website.



Partnering with bit.bio

Through a strategic partnership with bit.bio, Charles River provides clients access to authentic human cells for use in target discovery, validation, and screening services. Bit.bio's opti-ox™ technology enables the precise reprogramming of stem cells at scale, contributing to the development of therapies with a higher success rate among patients. By combining synthetic and stem cell biology, the bit.bio team is providing consistent supplies of human cell types for use in research and drug discovery.

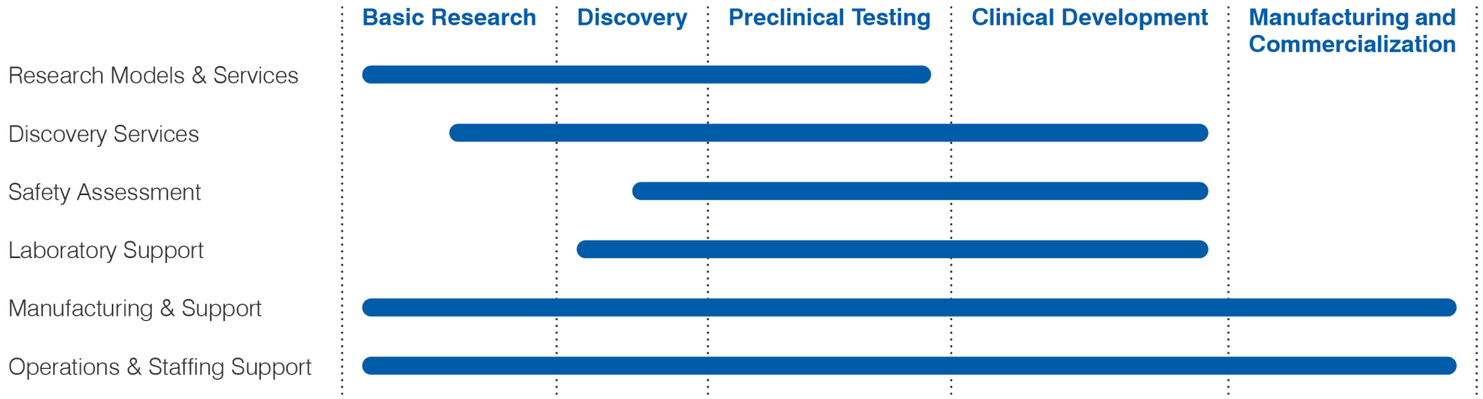
Our Role in Research and Development

At Charles River, our strategy is to address our clients' unique challenges through innovative digital technology and data solutions, extensive scientific knowledge, and program management expertise. Our customized solutions for every stage of the therapeutics development process help accelerate and optimize client workflows while differentiating us from our peers. Tailored solutions enable our clients to efficiently deliver safe, effective drugs. Through a wide-ranging portfolio, regulatory compliance, and scientific expertise, we are an indispensable partner to our clients in the development of life-changing treatments.

Collaborating With Clients

The drug research and development process is essential for delivering safe and effective medicines and therapies to patients. Drug development is also highly complex due to the fundamental difference of therapeutics. Our clients depend on us to support them through every step of the nonclinical drug development journey. As a strategic partner to our clients, we are committed to eliminating inefficiencies and optimizing processes that reduce costs and condense the traditional drug delivery timeline. Our best-in-class support services as part of the drug research and development continuum are outlined in the chart below.

DRUG RESEARCH AND DEVELOPMENT CONTINUUM



The following are the five main components that comprise the drug research and development process. Charles River is an active partner in each of these areas within the research and development continuum, with the exception of clinical trials:

- **Basic Research** is the foundation of all scientific breakthroughs, improving our understanding of biology and advancing knowledge of the life sciences.
- **Discovery** represents the earliest stages of drug research, directed at the identification, screening, and selection of a lead molecule for future drug development. We maintain a comprehensive drug discovery service portfolio and a multidisciplinary staff comprised of thousands of scientists.
- **Preclinical Testing** is directed at demonstrating the safety, tolerability, and clinical efficacy of the selected drug candidates. During the nonclinical stage of the development process, a drug candidate is tested *in vitro* (non-animal, typically on a cellular or sub-cellular level in a test tube or multi-well petri plate) and *in vivo* (in research models) to establish drug safety prior to and in support of human clinical trials. Complications and inefficiencies during this critical stage of the drug development journey can create costly delays.
- **Clinical Development** is an exciting stage of drug development, as years of work supporting our clients at the earliest stages of their research come to fruition as their potential drug candidates move into the three phases of human clinical trials. Timing is important to a clinical trial's cost-effective execution; by working with our scientists during the early development process, clients can front-load clinical timelines as early as the preclinical phase.
- **Manufacturing and Commercialization** provides full-scale contract manufacturing and support services to ensure the quality, safety, and regulatory compliance of our clients' products over the long term.

Charles River's role in the drug discovery and nonclinical development process is critical in helping to bring new drugs to market. We are committed to partnering with our clients to help them deliver innovative, safe, and effective medicines to patients as quickly and efficiently as possible. For more information about the drug research and development process, please refer to the Research Phase section of our website.

Leading in Animal Welfare

As a leading provider of research models, we understand that many of the groundbreaking treatments our clients develop require live organisms. Our portfolio of accredited research models enables our clients to responsibly manage study procedures and data outcomes as a critical component of the research and development of therapeutics. Charles River upholds rigorous genetic standards, including the core values of animal welfare, biosecurity, and the 3Rs (Replacement, Reduction, and Refinement) that offer alternatives to animal testing when possible.

In addition to being the leading provider of research models worldwide, we are a trusted global partner in providing industry-leading vivarium management, biosecurity, and genetic stability. Our culture of animal welfare care, respect, and humane treatment has earned AAALAC International approval. For more information about our commitment to Animal Welfare, please refer to the Animals in Research section of our website.

Partnerships and Memberships

Charles River actively engages in and partners with organizations and peer networks to advance our corporate, industry, and ESG efforts. Our partnerships and memberships include:

- AAALAC International
- American Association for Animal Laboratory Science (AALAS)
- Boston College Center for Corporate Citizenship (BCCCC)
- Business Ambition for 1.5C
- Carbon Disclosure Project (CDP)
- Diversity Alliance For Science (DA4S)
- European Animal Research Organization (EARA)
- National Association of Black Veterinarians
- National Centre for the Replacement, Refinement and Reduction of Animals in Research (NC3Rs)
- North American 3Rs Collaborative (NA3RsC)
- Pharmaceutical Supply Chain Initiative (PSCI)
- RE100 Climate Group
- Science Based Targets Initiative (SBTi)
- Universities Federation for Animal Welfare (UFAW)
- Women in the Enterprise of Science and Technology
- US EPA Energy Star Partner

CRADL Expansion

The Charles River Accelerator and Development Lab (CRADL) is a component of our Insourcing Solutions services that allows clients access to turnkey, full-service Charles River rental vivarium space. CRADL offers clients a cost-effective alternative to having their own vivarium that enables a variety of organizations—from small, virtual startups to established biopharmaceutical companies—to outsource vivarium management and operations, allowing clients to focus on their research. Larger commercial and academic institutions benefit from an expanded, flexible footprint without a cost-prohibitive build.

Since the earliest days of research, reaching key milestones on time and on budget has been paramount to a drug development program's success. In the biopharmaceutical industry, both infrastructure and staffing can be prohibitively expensive and take significant time to develop. CRADL alleviates that burden, offering researchers the ability to focus on their research instead of logistics. For more information about our CRADL initiative, please refer to the CRADL section of our website.

our leadership

RESPONSIBLE. ETHICAL. TRUSTED.

At Charles River, our commitment to operating with the highest standards of responsibility and ethics underscores everything we do. We are proud of our status as an industry leader and trusted advisor and partner to our clients, and we demonstrate an uncompromising commitment to build and maintain trust with all our stakeholders through transparency, strong governance, and sound ethics and compliance. Our leadership position enables us to influence critical issues such as animal welfare, cybersecurity and data privacy, healthcare, quality assurance, and innovation.

Governance

We believe that creating and maintaining a culture of integrity is the shared responsibility of every employee at Charles River. As our business evolves and grows, we continue to enhance and improve our corporate citizenship and governance strategy to ensure that every aspect of our operations reflects our values and commitment to leadership. In 2021, Charles River was added to the Standard and Poor's 500 Stock Index (S&P 500). As part of the S&P 500, we have embraced the higher benchmarks and large company peer group comparisons, and we continue to develop and advance our top-tier governance and ethics practices. We strive for continuous improvement and work to maintain a high benchmark for transparency and accountability. For example, in December 2021 we implemented a standard proxy access by-law. This by-law establishes a procedure to allow a group of up to 20 shareholders who have continuously held 3% of Charles River's outstanding shares for three years to submit director candidates for inclusion on the proxy ballot.

At Charles River, our leadership sets the tone for our organization, and our governance practices promote long-term value, management, and accountability for all our stakeholders. Our Board oversees and monitors governance issues including auditing and quality assurance practices, science and technology strategy, financial performance, cybersecurity, business ethics, and regulatory compliance. Our business is overseen and advised by six standing committees of the Board that meet regularly. For more information about our governance committees, please refer to the Committee Composition section of our website.

Board of Directors

Led by our Chairman, President, and CEO, as of March 2022, the Charles River Board comprises 11 members, nine of whom are independent (including a Lead Independent Director). In October 2021, to reflect the continued evolution of our Company, we updated our Board charters and corporate governance guidelines. Updates highlight our commitment to responsible corporate citizenship, as well as to establishing formal accountability and guidance for our corporate citizenship priorities and programs. Our new charters and guidelines help ensure that we are capturing ESG topics clearly within the risks and responsibilities of the appropriate committees. In addition, updates will help facilitate our communication and actions related to significant ESG risks with the potential to impact business.

Corporate citizenship has always been a priority at Charles River and is embedded within our values and the work we do every day. At every level of the organization, up to and including the Board, we are committed to continuously creating positive change for the ESG priorities that matter most to our business and our stakeholders. Every Board committee manages appropriate aspects of ESG, which includes a calendar of continuing education specifically pertaining to ESG topics. In addition, in 2022, we are adopting centralized responsibility and oversight of all ESG governance functions under our newly established ESG Governance Council, which is led by our Chief Operating Officer (COO) and composed of executive team members and SMEs throughout the Company.

Led by our ethics and accountability, and a culture of evolution, Charles River's Board promotes diversity of experience and perspectives. The primary consideration in the selection and retention of Board members is their respective ability to fairly represent the interests of our stakeholders. Diversity in business background, gender, race and ethnicity, area of expertise, skills, educational background, nationality, industry, geography, and age are also considered, as well as other factors that can provide the Board with a range of informative viewpoints and perspectives. Since 2019, representation of diverse groups in leadership at the Board level has increased to 36%, with 27% female leadership and 9% minority representation. We continue to explore opportunities to advance diversity and inclusion and increase diverse representation in our leadership.

Our Corporate Governance Guidelines detail the expectations and responsibilities of our Board and committees. This charter outlines Board size, the Board member selection process, performance evaluation procedures, continuing education expectations, committee functions, and more. Our Board conducts multi-part evaluations each year, which most recently consisted of (1) a full Board evaluation; (2) evaluations of each committee; (3) director self-assessments; and (4) peer-to-peer evaluations. The purpose of this process is to determine whether the Board and the committees are functioning effectively. For 2021, the Board and committee evaluations were conducted by a combination of written questionnaires and one-on-one interviews conducted by an external facilitator, which is a common practice for our peer group. For more information about our Governance structure, procedures, and guidelines, please refer to the Governance Overview section of our website.

Legal Compliance and Ethics

Our role as a trusted advisor and business partner is built on our unwavering commitment to compliance and ethics in all that we do. We believe that by maintaining the highest ethical standards, we set an example for appropriate business practices in our industry. Moreover, our culture of compliance and integrity allows us to attract and retain exceptional talent and makes Charles River indispensable to our clients and stakeholders.

Code of Business Conduct and Ethics

Our commitment to compliance and ethics starts with our Code of Business Conduct and Ethics (Code). Applicable to every employee, officer, and director at Charles River, the Code sets forth the standards for integrity and ethical behavior across our business. The Code also provides actionable guidance and resources to all employees for maintaining a positive, ethical environment, including our Board and executive leadership. The Code includes information regarding the laws and policies that apply to our business, including in the areas of anti-bribery and anti-corruption, anti-harassment and anti-discrimination, conflicts of interest, intellectual property, data privacy, and the protection of confidential information.

Employees are required to acknowledge the Code upon hire and to complete an onboarding Code training within 90 days of their enrollment, and subsequently to complete additional Code training every three years. For more information about our Code and other ethics and compliance policies, please refer to the Legal Compliance Policies section of our website.

Policies and Procedures

Building on the ethical foundation of our Code, and demonstrating our commitment to integrity, stakeholder accountability and transparency, our Legal Compliance team externally publishes key ethics and compliance policies and statements. Adherence to our policies helps ensure Charles River complies with all legal requirements and meets our ethical obligations. For more information about our policies, please refer to the Legal Compliance Policies section of our website.

Legal Compliance Program

As a company, we have an obligation to our employees, clients, business partners, and other external stakeholders to act in accordance with applicable laws and regulations. Our global Legal Compliance Program (I-Comply) comprises 10 elements designed to ensure that our global operations adhere to applicable regulations and Company policies. Our compliance program also helps mitigate legal risk for both Charles River and our stakeholders.

Our Legal Compliance Program elements include:

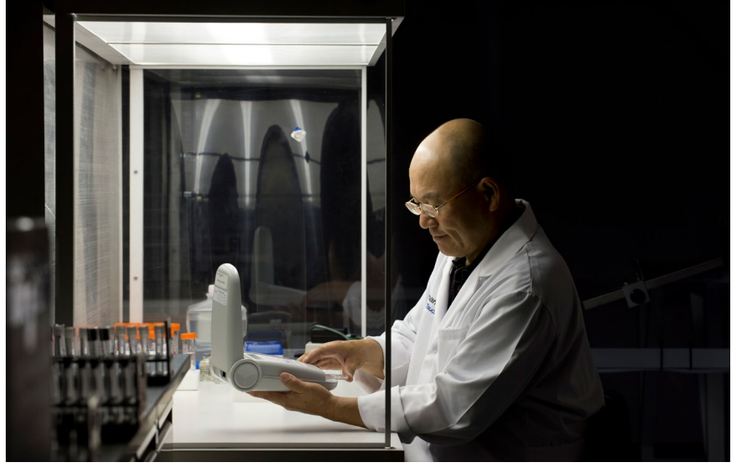
- Risk Assessment
- Processes, Policies, and Procedures
- Tone at the Top and Tone at the Middle
- Governance and Oversight
- Training and Communication
- Monitoring and Auditing
- Reporting
- Response and Prevention
- Incentives and Discipline
- Third Party Management

To ensure our high standards of ethics and compliance, the Charles River Legal Compliance team conducts training and engagement annually to build awareness and foster a culture of compliance throughout our organization. In 2021, we conducted four live and online global training sessions, and we provided additional communications related to legal compliance topics. To supplement training and communications, we also host a Global Compliance Day annually.

Reporting Compliance and Ethics Issues

Our first line of defense in ensuring compliance and ethical conduct is the actions of our employees. To support our employees in making the right ethical choices, our internal I-Comply program provides tools, information, resources, and answers to questions related to compliance and ethics issues.

In addition, both employees and external stakeholders are encouraged to report any concerns regarding compliance and ethics issues to managers, a member of Human Resources (HR), the Legal Compliance team, the Legal Department, or through our Charles River Helpline. The Helpline is hosted by an independent third party, and available 24 hours a day in over 12 languages.



Human Rights

Charles River takes an uncompromising stance on the protection of human rights in our own operations, and we expect our supply chain partners to adhere to our same high standards. We are committed to compliance with applicable laws, regulations, and international conventions, and believe that every individual is born free and equal and deserves to be treated fairly and with dignity.

Our human rights policy is guided by, and aligns with, leading and globally recognized human rights declarations, principles, and frameworks including the U.N. Universal Declaration of Human Rights and the U.N. Guiding Principles for Business and Human Rights. Our policy includes fair working conditions, equal pay for equal work, a livable wage, right to privacy, appropriate time off and support for health and well-being, access to education and scientific advancement, freedom of opinion and association, and freely chosen employment.

Additionally, we respect fundamental human rights and are committed to eliminating discrimination, harassment, workplace violence, human trafficking, slavery, torture, and child labor—as outlined in our various online policies and statements. Please view our Human Rights Policy for a comprehensive list of our guiding frameworks, principles, and statements on human rights. For more information about our policies respecting fundamental human rights, please refer to the Legal Compliance Policies section of our website.

Rare Diseases

Rare disease treatment is often a challenge due to lack of knowledge and lack of available therapies. Through collaborative partnerships with organizations such as the CHDI Foundation, Sanford Research, Cure Rare Disease, and more, we develop essential specialized research models, define biomarkers, develop novel assays, and provide numerous other support services and products to advance the science of treating rare diseases. We offer *in vivo* and *in vitro* safety testing that ensures regulatory compliance and quality that our clients need to move their treatment development forward. We pride ourselves on supporting our clients at every stage of the drug discovery and development journey, and our clients depend on our comprehensive services to combat rare diseases with novel therapies. For more information about our work in curing rare diseases, please visit the Rare Disease page of our website.

Risk Management

Managing and mitigating enterprise risk is a central component of being a resilient company and a reliable supply chain partner to our clients. The Board has oversight of our risk management efforts, and decisions are informed by thorough review of operational and business information and reports from affected Board committees and senior leadership. The Enterprise Risk Management (ERM) function is overseen by the Senior Director of Risk Management in collaboration with seven Steering Committee members composed of corporate senior management. The Chief Financial Officer (CFO) serves as the ERM Executive Sponsor. The ERM sponsors, Steering Committee members, and the Executive Director of Internal Audit meet regularly throughout the year to review ERM activities. A formal ERM presentation is shared with the Board annually.

Areas of significant risk overseen by the Board and Board committees include cybersecurity and data privacy, supply chain management, employee acquisition, regulatory risk around humane care of animals, quality control, and major business changes. Risks related to corporate citizenship and environmental issues fall under the purview of the full Board. Identified risks include disruptions to our supply chain due to natural disasters or other catastrophic events such as the COVID-19 (COVID) pandemic, regulatory changes, information security, changes in client contracts, and international business risks such as foreign exchange rate changes.

For more information about our business and operational risks, please refer to SEC filings in the SEC Filings section of our website. For more information about our approach to managing corporate risk, please refer to Proxy Statements in the SEC Filings section of our website.

Business Resilience

Charles River maintains a robust global Business Continuity Plan (BCP) program, at both the global level and by site. The global BCP is developed and maintained by the Corporate Security team. It specifically addresses any potential risks that could threaten the Company's ability to maintain ongoing operations, including supply chain interruption and loss or damage to critical infrastructure. Natural disasters and emergencies, such as storms and floods, could prove harmful to operations in our laboratories and in the transportation of our products, which are time-sensitive and highly controlled. The aim of the BCP is to avoid any significant disruption to our operations, while keeping our reputation intact.

In addition, each Charles River location is required to maintain a BCP for the site to protect Company and client assets, as well as ensure the safety of employees and visitors during any disaster scenario. The site-level BCP comprises documented procedures and guidelines, including a Disaster Recovery Plan, which outlines the recommended mitigation process and procedures for several crisis events. Each site BCP includes input from corporate functional leaders, including Environment, Health, & Safety, Global Facilities Management Services, Operations, Human Resources, Veterinary Services, Communications, Information Technology (IT), Animal Welfare, Quality Assurance, and Global Security, under the guidance of Charles River's Executive Committee.

An annual review of each site's BCP plan is required, and changes and/or updates are submitted to Corporate Security. As part of the review process, sites can request that a BCP tabletop exercise be conducted on-site at any location to evaluate current plan readiness and recommend potential response improvements. In addition, all BCP team members at each site participate in mandatory BCP response training to ensure the safety, security, and continuing business operations in times of emergency and in critical incidents.

COVID-19 Response

The COVID pandemic impacted all aspects of daily life and business in 2020 and 2021. We are proud to be an active contributor to the development of all available, FDA-approved COVID vaccines and treatments. As the global environment continues to evolve, our top priority is the protection of our employees' health and safety as we serve our clients in this critical time for healthcare.

To support the needs of our employees and clients throughout 2020 and 2021, we established a global crisis management team and developed comprehensive and dynamic business continuity plans. Our plans were adapted as pandemic conditions necessitated change. During this time, we also proactively engaged with our suppliers to minimize operational delays. Our responsive global actions allowed us to continue supporting our clients' critical vaccine research and development work without compromising the safety of our employees.

Further supporting employee safety, we instituted a work-from-home approach where possible and implemented new safety procedures for on-site work. Recognizing the need to support the health and well-being of our employees, we added additional time off for COVID-related issues and avoided furloughs and workforce reductions through temporary cost reductions.

To keep stakeholders and the general public up to date on our pandemic response efforts, we developed an online COVID response page, and employee web resources. As the conditions surrounding COVID evolve, we will continue to update our resources and information accordingly.

For more information about our COVID response and to view updates on our contribution to vital COVID virus research, please refer to the Coronavirus Disease Updates section of our website.

Data Security and Privacy

At Charles River, our employees, clients, business partners and other stakeholders trust us to responsibly manage and safeguard their information. We believe that trust begins with our commitment to security, privacy, and data protection, and we are committed to ensuring that the confidential data entrusted to us remains safe and secure. Our global focus on Data and System Security and Data Privacy includes the promotion of business continuity and meeting all applicable regulatory requirements by protecting the privacy of sensitive data, personal information, and intellectual property against digital attacks and threats.

As the biomedical industry becomes increasingly driven by digital data, inherent risks in our daily work, our collaborations, and our acquisitions will intensify. To strategically address and mitigate any potential impacts of our digital journey, we will continue to leverage innovation throughout our data security and data privacy infrastructure to ensure the integrity of our data management systems and strengthen our relationships.

Data and System Security

The security of our systems and the data we manage is crucial to maintaining the trust of our clients, partners, and employees. As the cyber and data security threat landscape continues to evolve, we are committed to investing in the technology and processes required to mitigate risks and safeguard our data and systems. The security of our systems and data is vital to ensuring we are able to efficiently and effectively provide our comprehensive services and solutions.

Responsibility for the security of our data and systems starts with our employees. Charles River requires annual training for all employees and publishes regular awareness communications including a monthly employee newsletter. Security training includes an initial onboarding session for new hires, a required annual refresher course, as well as topic-specific training throughout the year. Specialized training is also provided to IT staff and employees at a higher risk of a targeted attack.

To manage data and system security at an enterprise level, Charles River maintains a dedicated information security team within the IT organization. The team is led by our Corporate Vice President, Chief Information Security Officer (CISO), who reports to the Chief Information Officer and the Executive Committee. Quarterly, the CISO provides updates on Charles River's threat profile and incidents to the Audit Committee of the Board of Directors.

As part of continuous improvement efforts, our Global Security program was updated in 2021. The program is supported by Charles River policies, procedures, guidelines, and standards consistent with International Organization for Standardization (ISO) and National Institute of Standards and Technology (NIST) security frameworks. All policies, procedures, and guidelines are reviewed annually.

To help ensure our security and privacy efforts, Charles River also maintains a Security Operations Center 24 hours per day, seven days per week, and conducts continuous threat hunting, ethical phishing tests, and simulated incidents. In the event of an incident, Charles River has a comprehensive program that includes a security incident management plan with identified team roles, responsibilities, and security procedures. To ensure continuity of our systems, Charles River maintains a Disaster Recovery data center.

In 2021, as we have expanded into the CDMO business, Charles River has continued to adapt security efforts to address acquisitions and new partnerships through robust access, data transmission, and identity management efforts. As we expand our business, we will continue to review and manage our security obligations. Acquisitions undergo thorough due diligence to identify potential data security risks both prior to and during integration into our Global Security program.

Please refer to the Global Privacy and Data Protection Policy and the Protecting Information and Other Assets section of Our Code of Business Conduct and Ethics for more information about data security.

Data Privacy

At Charles River, our geographic footprint, respect for individual privacy rights, and the nature of our business make data privacy an essential global priority. We believe that our privacy program is not only responsible business practice, it also builds trust with our clients, investors, and employees.

Our Global Privacy and Data Protection Policy outlines our privacy framework and efforts, and our Data Privacy program reflects our privacy priorities including regulatory compliance and maintaining robust policies and procedures to limit and protect the personal data we collect and process.

To manage our privacy efforts, our global Privacy team and our Information Security teams work together to mitigate risks, enforce policies and compliance, and ensure the privacy of the data we manage. The Privacy team is supported by members of the Legal Compliance and Information Security teams who provide regular program updates to the Audit Committee of the Board of Directors regarding Data Privacy program developments and risks. Privacy Site Stewards are also responsible for site level data privacy initiatives, communication, monitoring, and escalation of privacy issues. In 2018, Charles River appointed a Data Protection Officer, who is responsible for ensuring our compliance with European Union (EU) data privacy obligations. In addition, we also utilize third-party tools and services to help mitigate our global privacy risks and manage our compliance obligations. Employees receive regular training and communication regarding privacy and data protection, including annual Information Security training, targeted Global Data Privacy training, and regular communications and interactive exercises throughout the year.

In accordance with data privacy laws, Charles River only collects personal data for specified and legitimate purposes, and we ensure that such data is processed in a secure manner and not stored for longer than necessary. We strive to adhere to all applicable laws and regulations, including the EU General Data Protection Regulation (GDPR).

In 2021, data privacy took on even greater focus as we began the digitization of our processes and the confidential data we manage. As we expand our business with acquisitions and enter new markets (including the CDMO market), we continue to review and manage our privacy efforts with respect to the different forms of personal data that are critical to the success of our Company and our clients' business. Acquisitions undergo thorough due diligence to identify potential privacy risks both prior to and during integration into our global Data Privacy program.

Please refer to the Charles River Privacy Notice on our website for additional information on data collection, sharing, use, and protection.

Technology and Innovation

Technology and innovation advancements are at the forefront of global drug research and development. As an industry leader, Charles River is uniquely positioned to leverage and enhance our global capabilities through research and development, digitization, acquisitions and new technologies to advance biomedical research and increase the speed to market of novel drugs. By leveraging technology-enabled innovations, Charles River is streamlining the way we acquire, store, and analyze data. We are taking complexity out of the drug development process by solving inherent challenges such as ease of access to data, by allowing clients to view results—online and in real time. Use of technology means research and development time is better utilized, better optimized, and we provide better outcomes for our clients and employees by making their work easier and more efficient.

Our digital transformation will continue to be key to meeting our clients' needs and maintaining our competitive advantage in rapidly evolving biomedical research and other technologically innovative industries. With our goal of removing one year from the drug development process, technology and innovation are keys to Charles River's role in accelerating development timelines and delivering drugs to market faster.

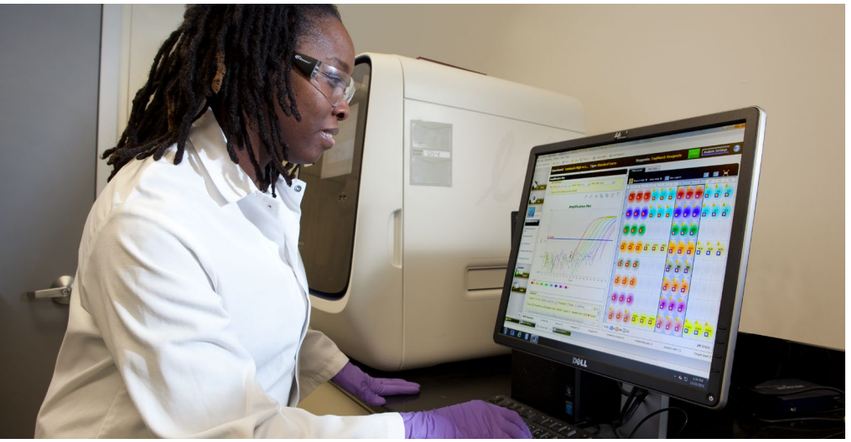
OpenTreatments

Raghav Ramesh is a three-year-old with an ultra-rare genetic neurological condition that causes cardiac arrhythmia and skeletal and central nervous system abnormalities. Raghav's father, Sanath, started OpenTreatments, a collaborative effort with patients, advocacy and industry organizations, to help build a robust gene therapy program to connect scientific experts with families impacted by rare disease.

There is enormous need for scientific assistance in the rare disease community, and the OpenTreatments platform provides families with a gap analysis and roadmap for tracking progress. Families can also consult service providers like Charles River for assistance in filling gaps in the drug development roadmap, such as program viability for presentation to the FDA, and potential challenges in running a clinical trial, including safety and efficacy implications. Charles River is committed to lending support to individual families and foundations like OpenTreatments, to provide scientific input at different stages of the drug development process.

Digital Journey

Our reputation for deep scientific expertise and regulatory compliance, as well as our broad geographic coverage, gives our clients the confidence that we are a reliable partner for their drug research and development programs. Charles River's integrated, comprehensive portfolio is taking complexity out of our clients' drug development efforts and programs, and we work closely with our clients and partner relationships to further innovate and ultimately address inherent development challenges in the process.



We continue to build a best-in-class outsourcing experience through digitalization of data, data analytics, and enhancing self-service options for our clients, including real-time access to data. Specific areas of emphasis are implementing and upgrading best-in-class technologies, with highest priority on cybersecurity to provide a secure and scalable infrastructure to work on. We are also creating scientific and operational efficiencies by leveraging our data for insights. The three pillars of our digital journey are an agile mindset, an obsession with serving our clients, and leveraging technology-led innovation. Removing complexity and inefficiencies through digitization is a central component of our strategy to provide comprehensive and innovative solutions to our clients.

We are pioneering an integrated, connected approach in our drug development platform that emphasizes collaboration across teams to manage projects and simplify processes; access expertise, real-time data, and insights; and align resources to remove barriers. Progressing in our digital journey, the research and development experience continues to become easier and more efficient for our clients, as we increasingly rely on digital technologies, program management, and data analytics. We believe that the faster and better we can provide data, the more successful our clients will be, which will also drive efficiencies and greater competitive advantage for Charles River. When we provide high-quality data faster, our clients can remove white space from their workflows and deliver drugs to patients in less time.

As part of our digital journey, Charles River has set a goal of shortening the conventional timeline of drug discovery-to-distribution by one year. We will do this by hiring the best talent, adopting best-in-class technologies, and taking a collaborative approach to innovation. In addition, we are working to build a stronger digital enterprise and best-in-class technology platform, which will enhance real-time connectivity, collaboration, and engagement with our clients. As we progress toward our goal, our digital journey enables us to remain an agile, secure, efficient, and scalable business. When we improve connectivity with the wider scientific community and foster collaborative innovation, we can accelerate drug development and achieve better outcomes.

We believe that greater connectivity, and using advanced technology to create a more collaborative, integrated approach with our clients, will help unlock the true potential of our products and services portfolio to help bring novel therapies to the patients who need them. This approach can also help prevent and treat disease in a more agile and personalized way. The combination of rapidly advancing life science innovation and emerging digital technologies may create some of the most promising opportunities to improve healthcare—making it better, faster, easier, and more affordable. Digital technology offers new possibilities to improve the lives of patients and fundamentally change healthcare. Charles River is leading the way to collaborate with our clients and advance technologies to improve how we work with our clients to serve patients and ultimately improve lives.

Animal Welfare

Animals play a critical role in developing medicines and treatments for health conditions and diseases. The humane care and well-being of the animals in our care is one of the core values of Charles River, and we believe they should be treated with respect and dignity. The Charles River Humane Care Imperative (HCI) guides our commitment to uphold high standards of humane care and well-being for research animals. Our focus on animal welfare and commitment to creating a positive, healthy workplace for our employees and the animals in our care, improves research and development outcomes and makes Charles River a place where our employees are proud to work.

Importance of Animals in Research

As contributors to nearly every medical breakthrough in recent history, animals continue to play an essential role in the development of life-saving drugs and therapies. Before any drug or therapy is brought to market, there are regulations requiring testing in animals to identify any health or safety risks, as well as effectiveness. As a key to understanding disease progression and biological mechanisms, animal use in research is highly regulated to ensure responsible, ethical, and humane treatment.

Animal welfare is of paramount importance to Charles River and is required for the accuracy, reliability, and translatability of drug development and research. Animal welfare and the humane treatment of animals as a core value of Charles River comes from the legacy of our founder, Dr. Henry L. Foster, who as a veterinarian understood the importance of healthy animals in contributing to good science. As a recognized industry leader in animal welfare, we are dedicated to providing the animals in our care with a good quality of life; ensuring compliance with all pertinent global regulations; and maintaining employee morale and pride in the work that we do.

How we Manage Animal Welfare

All Charles River colleagues—throughout every level of our organization—share a responsibility to meet our strict expectations for animal care and adhere to all policies for humane treatment. Regardless of work function, all employees are required to sign a pledge committing to provide humane care and to participate in animal welfare training. Employees who care for animals are required to take enhanced training and have access to additional training opportunities to expand their knowledge and skillset. Charles River has more than 230 veterinarians and more than 2,000 animal care professionals at our facilities worldwide to ensure the health and well-being of the animals in our care. The professionals who work with animals or oversee animal work inform and drive compliance with our policies; our Global Animal Welfare and Training Group guides these activities. Training is offered in nine languages. We expect all employees to act in an ethical and respectful manner, and to bring forward any concerns about compliance and conduct.

Our policies and practices are designed to promote animal health and enrichment, genetic integrity, and a contaminant-free environment, all of which are essential for animal welfare and quality results. In addition, we work to provide proper animal husbandry, including appropriate physical environments, housing, and enrichment. We also implement practices that minimize stress and ensure the health of research animals. We encourage and recognize outstanding performance and dedication to humane care through our employee award program review and update our policies regularly and comply with all applicable laws and regulations to meet our own high standard of care.

Our HCI, first implemented 20 years ago, informs our practices and demonstrates our commitment to the humane and ethical treatment of animals. We review and benchmark our humane treatment approach against current and emerging industry trends to ensure that our policies remain relevant. As industry best practices and regulations evolve, we work to manage animal welfare as a top priority through our Standards of Practice, HCI, Behavior Management and Environmental Enrichment, and our 3Rs Global Working Group.

- Our Standards of Practice require animal care and research to meet or exceed relevant national legislation guidelines. In addition, all sites are expected to adhere to Charles River policies and guidelines governing the care and well-being of research animals.
- HCI emphasizes incorporating industry best practices and promoting the awareness of the importance of the humane treatment and care of animals in research through a continued focus on personnel training. Our Commitment to Humane Animal Research Through Excellence and Responsibility (CHARTER) is our commitment to collaboration and funding in support of the HCI. We provide top notch veterinary care and ensure personnel are trained on all policies and best practices.
- Behavioral and Environmental Enrichment provides programs that enrich the environment and support behavioral needs including species-specific welfare requirements, management programs that provide physiological and behavioral well-being, and best practices for behavioral management and environmental enrichment strategies.
- Guided by our 3Rs Global Working Group, we actively explore alternatives to using animals in research where possible using guidance from the 3R's—Replacement, Reduction, and Refinement. Part of the refinement process is ensuring that studies are designed with research animals' comfort and safety in mind.

Our Compassion Science program promotes self-care and well-being to build resiliency in animal care professionals. Focused on positively changing dynamics of care, our Compassion Science program is a holistic program that is implemented globally at all our sites. By providing for the well-being of the caregiver, we create a more symbiotic relationship between the care giver and the animals that we care for that instills respect and awareness at its core. This program supplements our existing top tier animal welfare practices by driving continuous improvement and evolution of practices. The program began in North America in 2019 and was expanded to our Europe and Asia operations in 2021.

Oversight of all Charles River work with animals is led by Animal Ethics, Institutional Animal Care and Use or similar committee, and all animal research is reviewed by the committee prior to beginning—and at annual intervals. Regular assessment of the animal care and use programs are also conducted by local animal ethics committees and submitted for review by senior management of Charles River. Our Animal Welfare and Training Group conducts regular site visits to ensure compliance and identify outstanding performance.

We participate in industry meetings to learn and share best practices and regularly produce publications that allow the industry to benefit from our experience and innovations. We also provide Humane Care posters on our website to further illustrate our values and share resources with the industry.

We voluntarily undergo assessments by AAALAC International, a third-party animal welfare nonprofit that conducts a rigorous animal welfare assessment and accreditation process. Most of our facilities are AAALAC accredited, demonstrating our organization-wide adherence to excellence in humane care practices.

We also work with many independent nonprofit organizations and foundations around the world dedicated to the development and support of best practices in animal research. They provide trusted educational resources and outreach programs not only to researchers and scientists, but also to the general public. For additional information and a list of some of the animal welfare organizations and associations that Charles River works with, please refer to the Resources page on our website. For more information about our Animal Welfare and Humane Treatment of Animals policies, please refer to the Animals in Research page on our website.

Regulatory Affairs and Compliance

Regulatory compliance is essential to ensuring our clients know they can depend on us to be a reliable and ethical partner. Adhering to all applicable regulations, our compliance Quality Systems program follows Good Laboratory Practices (GLP), Good Clinical Practices, and current Good Manufacturing Practices (cGMP) as required by North America and EU regulations, including Medicines and Healthcare products Regulatory Agency, collectively known as GxP. Charles River adherence to regulatory requirements ensures the safety, quality, and integrity of our data, research, and laboratory processes. Our regulatory principles include:

- Assuring the quality and integrity of research products and services
- Assuring the protection of human subjects and the welfare of research animals
- Partnering with operations management and staff to improve quality and meet regulatory requirements
- Assuring timely and effective communications between our business units and our clients
- Providing regulatory training for our colleagues

Quality Assurance and Management

Quality Assurance is a key to our success in maintaining compliance as well as mitigating risk and ensuring client satisfaction globally. To manage our high standards of quality, we leverage our Quality Management Systems (QMS) for review, tracking, and monitoring.

Establishing a culture of quality and ownership is at the forefront of Charles River's core values (Care, Lead, Own, and Collaborate). Our corporate policies on quality and data integrity provide the base for each business unit to establish rigorous regulatory management and data collection practices for critical decision-making. Management reviews and approves policies and standard operating procedures that drive our Quality Systems as part of their overarching roles for assurance for compliance.

Business unit QMS provides a mechanism to observe, trend, and mitigate quality and regulatory risks. A companion program is used for tracking and trending key quality metrics such as Deviations, Corrective and Preventive Actions, and Data Integrity observations. Metrics are provided to management through quarterly Quality Management Reviews. Reviews allow management to share the ownership of the QMS through engagement and by reviewing and responding to any necessary observations. In addition, we use Trackwise and Pilgrim QMS to electronically capture audit observations and trends.

As we move into CDMO services, we are conducting GxP Gap Assessments of the various Quality Systems and ensuring that we are managing Charles River's efforts through a best practice approach that provides integration support.

To ensure operating quality at our global safety facilities, our locations comply with applicable global standards and regulatory bodies, such as:

- GLP and cGMP practices required by the FDA
- U.S. Environmental Protection Agency
- U.S. Department of Agriculture
- European Medicines Agency
- European Chemicals Agency
- Organization for Economic Co-operation and Development
- ISO 9100 and 17025

In 2021, Charles River had no incidents of non-compliance with regulations or governing codes that resulted in a fine or penalty. We fully comply with required regulatory audits by U.S. and international regulatory bodies, client quality assurance, and internal audit groups. All standard operating procedures for quality are managed and documented at the site level. For more information about our QMS, please refer to the 2021 10-K located in the SEC Filings section of our website.

Impact on Healthcare

At Charles River, we believe our contributions to drug development and healthcare treatments can positively affect global healthcare, animal health, human health, and other forms of well-being. We have built the leading safety assessment franchise worldwide; established an integrated, end-to-end discovery offering for both small and large molecules; and most recently, assembled a comprehensive, scientifically advanced solution for our clients' work in complex biologics and C&GT. To continue successfully executing our strategy to maintain and enhance Charles River's position as the leading, nonclinical CRO, it is essential we continue to make investments in our scientific capabilities through acquisitions, technology partnerships, and internal development to obtain access to new technologies and expertise to further accelerate pathways to go or no-go decisions; enhance our digital enterprise to provide real-time access to critical data for both internal and client use; achieve continued operational excellence to drive speed to market for our clients; and expand our capacity and staff to meet our clients' expanding needs.

As a force for positive change in healthcare, we play a critical role in bringing drugs to market through the research and development of novel drugs for clients. Our efforts help promote medical access through drug discovery, early-stage drug development, and the evolution of innovative and safe manufacturing processes that have allowed us to help advance healthcare globally. Our increasingly valuable role in drug discovery, development, and safe manufacturing is demonstrated by the fact that we have worked on 80%+ of FDA-approved drugs annually since 2017. Most recently during the COVID pandemic, we contributed to the development of all approved vaccines and additional COVID treatments. Improving healthcare is central to who we are, and everything we do plays a critical role in bringing drugs to market and enabling a healthier world.

We believe that innovation and a reimagining of traditional drug discovery and development systems is only possible through collaboration. In May 2021, Charles River conducted the first of what will be an annual Healthcare Collaboration Report to gain visibility into American perceptions of the healthcare system, the drug and vaccine development and approval process, and priority areas to address in the future.

Approximately 1,500 American adults over the age of 18 were surveyed. The majority of participants believed the American healthcare system has a great deal of room for improvement and that collaboration between all stakeholders is the best way to achieve meaningful change. The survey identified that one in three Americans (34%) believe the cost of healthcare is the biggest problem facing the system, followed by the high cost of prescription drugs (18%). Still, it is believed that collaboration has the potential to transform the industry, with 90% of Americans agreeing it will take a united effort of all key players to improve the healthcare system. For more information about our Healthcare Collaboration survey, please refer to the Charles River Healthcare Collaboration Report on our website.

As part of our commitment to positively impact healthcare over the long term, we abide by all clinical research and development regulations, partner with industry and peer groups to innovatively develop and promote best practices, and assess efforts against our high standards for ethics, compliance, and animal welfare. As an industry leader focused on advancing global health and well-being, our goal is to reduce the white space and condense the conventional drug delivery timeline by one year.

Strategic Partnerships

Forming strategic partnerships enables us to positively impact healthcare through collaboration that results in innovative healthcare outcomes faster and at a lower cost than we could achieve alone. Our partnership strategy enables us to provide relevant and innovative services that anticipate and meet the market's evolving needs. Partners are vetted for risk to ensure that we are protecting our clients' interests, while we continue to invest in our scientific capabilities. Partnering with companies which are developing differentiated treatments also allows us to expand our scientific offerings and grow our portfolio through access to cutting-edge technologies and treatments faster than we could achieve through organic growth alone.

Distributed Bio Partnership and Acquisition

In December 2020, we acquired Distributed Bio, Inc., the culmination of an exclusive partnership and as part of our growth strategy to expand our product and services offerings and our global presence. Distributed Bio, Inc., is a next-generation antibody discovery provider that expands our capabilities for large-molecule discovery. Their products support antibody and C&GT discovery through highly specialized, high-quality, readily formatted antibody fragments. In partnership with Distributed Bio, Inc., we leverage antibody libraries, immune-engineering platforms, and C&GT discovery and development services to provide our clients with an integrated, end-to-end solution.

our people

PURPOSE. LEARN. PERFORM.

Our work has never been more important. Our ability to dramatically improve patients' lives and the drug development process is real, and we are taking every opportunity to seize this moment. The exceptional people of Charles River make our contributions to the transformation of global healthcare and early-stage drug development possible. We bring together world-class scientists and talent from diverse backgrounds across the globe to serve our clients and create healthier lives.

Our People Strategy

At Charles River, we are proud to celebrate 75 years of innovation, a key milestone amid the unprecedented times our world is facing. The past two years of global disruption for organizations and people have resulted in an evolution of the employee and employer relationship.

People are seeking to work at a company with purpose, where they can both meaningfully contribute and feel that they belong. Charles River's efforts to attract talent, develop our people, and foster a sense of belonging remain an integral part of our people strategy. Our people are the heart of our organization, and our culture will continue to evolve as we attract the best talent and grow and develop them. We are a culture of revolutionary change-makers dedicated to making a difference.

Our values—Care, Lead, Own, Collaborate—are demonstrated in every aspect of our business, and we strive to create a culture of purpose, continuous learning, and quality outcomes for our people from day one. Our CRL DNA are the behaviors based on these values that we use to make decisions, grow our future leaders, and pave the way for the years ahead. In support of each person's unique value, we are committed to fostering an inclusive workplace where each individual is respected and supported.

Our People Strategy is built on three pillars that enable our exceptional experience and distinctive culture:

LIVE OUR PURPOSE

Connecting our people in their roles to the positive impact we are having on human and animal health

LEARN

Creating a culture where our colleagues are provided with opportunities for continuous learning and development

PERFORM

Creating an environment where the employee experience focuses on appreciation and recognition to deliver outcomes at the highest standards

Talent Attraction and Retention

Our industry leadership begins with attracting and retaining the best talent. As a global organization, our growth and development depend on hiring and retaining a skilled and diverse workforce in a highly competitive marketplace. Charles River employees are invaluable to our work, which is why we continue to invest in our total compensation package, engagement approach, career development, and employee well-being. Our goal is to be best in class, and we do so by maintaining an effective attraction and retention strategy and informing practices through collaboration and regular feedback.

Our Chief People Officer, Executive Director of Global Talent Acquisition, Vice President of Total Rewards, Vice President of Diversity, Equity, Inclusion, and Community, and our Executive Director of Global Talent Management oversee Charles River's attraction and retention programs. This accountability also extends to all HR leaders across the organization. Updates on our attraction and retention programs are reported to the management team on a quarterly basis, with updates to the Board level at regular intervals, including an in-depth annual review of the overall people strategy. We continuously identify opportunities for improvement by engaging and listening to our people and closely tracking metrics around time to fill and attrition.

Our Talent Acquisition Strategy Journey

In 2020, we embarked on a journey to enhance our strategic efforts in talent acquisition. Last year we hired a total of 5,313 new colleagues, and we continue to focus on both hiring better and hiring faster.

- To enhance our hiring efforts and candidate experience, we greatly reduced outsourcing support by increasing our internal resources, talent sourcing capabilities, and tools. More than 95% of our recruiting is conducted by full-time Charles River employees. To increase the quality of our hires, our talent acquisition team uses behavioral-based interviewing techniques to assess a candidate's ability and motivation. For our entry-level roles, we also leverage an innovative approach, known as realistic job preview, which provides a realistic preview of roles and responsibilities, along with a glimpse into the Charles River workplace culture.
- To keep pace with our growth, in 2021 we did analysis of our hiring efforts by monitoring the time it takes to fill a position by type of role and location. This resulted in the implementation of targeted actions such as rapid hiring events and same day offers to shorten our time to fill.
- To address ongoing health and safety issues related to COVID, we provide virtual alternatives to in-person recruitment events.

We know that our people and potential employees are attracted to Charles River's purpose. As part of our continued evolution, we recognized the need to differentiate ourselves in the marketplace to attract and retain top talent. As a result, we refreshed our attraction approach and introduced a new concept that would energize and inspire our people, help tell our story, differentiate us from our competition, and provide greater transparency to our culture and purpose. The resulting concept "This is your moment" invites new talent to see our employees' meaningful accomplishments and our culture that supports life-changing innovations.

> As a rehire, I've experienced two separate hiring experiences. The new onboarding is 100% better! It was great that they explain where we fit into the drug development process and explain what we do as a whole. I feel it gives the new hires more ownership in the whole process versus just the small part they do.
>
> **NEW CHARLES RIVER COLLEAGUE**

Recruiting Scientists

We pride ourselves on acting as trusted advisors, leveraging our scientific expertise to support our clients, and accelerating drug research and development. We recruit top talent by offering competitive benefits, continuing education opportunities, and roadmaps for career development. We work with universities across the world to give scientists and researchers the opportunity to kick-start a career in transforming the drug discovery pipeline. In 2021, we added a dedicated Diversity Sourcing Specialist. This role focuses exclusively on building partnerships with universities and niche programs that support diverse talent. Some key partnerships include Leadership Alliance, National Association of Black Veterinarians, and Women in the Enterprise of Science & Technology.

Our retention strategy begins prior to hire with our purpose and employer brand and continues throughout the entire employee experience. We prioritize diversity, equity and inclusion, comprehensive total rewards, and a strong focus on employee engagement and development to support our retention strategy.

Onboarding

Our HR team and people leaders, defined as managers and supervisors, are dedicated to creating an effective and efficient hiring ecosystem that includes global onboarding champions, site leaders, and peer mentors. The goal of our global onboarding strategy is to create an exceptional employee experience from the day they say "yes" through the first year of employment, and throughout their career at Charles River. Each New Talent Journey begins with a series of orientations, training, and feedback opportunities. We offer both on-site and virtual orientation to meet everyone's needs and ensure a safe and healthy workplace. Global onboarding champions help facilitate our onboarding sessions in partnership with site leaders to ensure a consistent, high-quality experience across all geographies.

We use surveys and collaboration with employees to assess the effectiveness of our onboarding processes. New hires receive three surveys in their first 100 days. Surveys provide new hires the opportunity to engage, share feedback, and actively contribute to the continuous improvement of our processes. In 2021, a total of 4,323 new hires experienced the onboarding program, with a reported average satisfaction rating of 85%. Through our employee-focused programs, we have achieved a retention rate of 87% of new talent who have gone through our onboarding program, an improvement from our 85% rate in 2020.

> I think the training is just amazing. They have this all planned out and well organized. This truly is very helpful. They want you to succeed.
>
> **NEW CHARLES RIVER COLLEAGUE**

Employee Engagement and Development

At Charles River, employee engagement and development begin on day one and are linked to everything we do. As a growing organization, we need each colleague to feel connected to and engaged in the important work that we do, to continue to develop their skills, and to grow within their careers to support our work in creating healthier lives.

Our Chief People Officer, our Executive Director of Global Talent Management, and our business-led training and development teams own our employee engagement and development programs, including learning and development, talent management, and leadership development. At the Board level, employee engagement and development are covered as part of our annual in-depth review of our people strategy. To evaluate our efforts, we listen to our employees through our pulse engagement surveys and identify opportunities for improvement. We monitor key metrics, such as internal movement, percent completion of performance reviews and number of learning courses completed, to ensure employees receive timely feedback and have opportunities to grow—both on the job and formally through courses. We report progress and opportunities to leadership through quarterly business reviews. Our employee engagement and development strategies are integral for our employees to feel satisfied in their roles and to progress in their careers at Charles River.

Employee Engagement

At Charles River, we believe our employees are best empowered to innovate and achieve their professional goals when they are healthy, happy, and look forward to coming to work. To fully enable a collaborative global culture, we actively engage employees through direct communications, via our intranet, and through surveys. Starting in 2020, we initiated the shift from one annual employee engagement survey to a pulse survey strategy. In 2021, our shift to regular Engagement Pulse Surveys enabled us to collect valuable feedback on an ongoing basis that serves as the foundation for meaningful conversations and actions as an organization, as well as between our people and people leaders.

Charles River's Sabbatical Program

Charles River is in the business of innovating the way modern drug discovery works, not only through our everyday work and partnerships, but also through career development opportunities for our people. Our sabbatical program offers employees a four-week paid leave to enhance their career development or participate in a community service activity to promote personal development. In fall 2021, Digital Education Manager Shay U. took a skills-based sabbatical with Cure Rare Disease, a charity developing customized therapeutics for individuals diagnosed with rare, genetic diseases that have no treatment or cures. Shay used their agile mindset and deep knowledge of marketing to lead the development of online campaigns and fundraisers for the charity.

> Charles River has a wonderful program where they encourage you to take your skillset and apply it to support a charity. I was able to work with Cure Rare Disease and look at their marketing efforts from end-to-end and see how I could help them fill in the blanks and offer my expertise that I've been able to learn at Charles River.
>
> **SHAY U.**

Our global employees participated in three pulse surveys during this first year, providing feedback on a variety of important topics such as whether we have successfully created an inclusive environment, the effectiveness of our leadership, and their perception of Charles River as an employer. In 2021, a total of 62% of our employees provided feedback among our three pulse surveys. While this is lower than our historical response rate, we believe that our shift to a more frequent pulse survey approach enables us to respond to employee feedback more effectively. Moreover, our new survey platform has a write-in comment feature which has resulted in more than 20,000 direct comments and invaluable feedback from employees. Survey insights are provided more regularly for people leaders and teams to address feedback received into measurably improved results. We also introduced the Acknowledge—Collaborate—Take one step forward (ACT) Conversations to guide leaders and their teams in acknowledging and owning their results and having meaningful conversations where teams agree and commit to taking small steps forward to result in positive change over time. We provided our people leaders with materials and resources to support their ACT Conversations.

Despite the disruptions amid COVID, our overall engagement held steady throughout the year, ending the year at 70, within three points of the overall pharmaceutical benchmark that we use as a reference. We received consistently strong scores on people leader competencies, such as direct manager support, communication, motivation, and career development conversations, which contributed to our employee engagement success. While scores and feedback improved over the course of our three pulse surveys in 2021, one of our top opportunities is for employees to feel recognized. In 2022, we plan to leverage our strong people leader communication scores to ensure all managers use our recognition tools, including our total rewards offerings, to communicate their appreciation to employees.

Employee Recognition

We are dedicated to recognizing and rewarding employees for their exceptional performance and contributions to a positive, uplifting workplace culture. Our people have multiple platforms to show appreciation for their peers and teams, including sending e-cards through our “Be the Difference” internal site.

In 2021, employees’ recognition of co-workers increased by 8%, with over 18,000 e-cards sent in 2021 to recognize great work or career milestones. In addition, our 2020 and 2021 Global Values Awards program recognized more than 200 employees each year with a special monetary award for their outstanding work.

Recognition at our global sites also includes “Spot” awards, “Stop-the-job,” Employee-of-the-Month, or local award programs to recognize our people. We celebrate and reward exceptional work, significant achievements, career milestones, and work anniversaries at events such as site or team meetings, town halls, and all-hands meetings, or through communications such as bulletin boards and employee newsletters.

Learning and Development

Charles River is a place where each employee can learn something new every day and share ideas, knowledge, and expertise to build their career path. We do this primarily through continuous learning and career opportunities, investment in learning capabilities and technology, our sabbatical offering, robust Talent Management processes, and leadership development.

Continuous learning contributes to increased retention and engagement, improved performance, as well as greater innovation and business results. Our employees explore and develop their careers through on-the-job projects and a range of formal and informal learning opportunities. We offer trainings in multiple languages, ranging from technical training to personal and professional development. Examples of on-the job-training include access to coaches and mentors available to discuss professional development, and the opportunity to expand knowledge by attending lunch-and-learn sessions with scientists. Charles River also builds strong partnerships with schools from high school to graduate-level university programs to develop a pipeline of skilled workers through internships and apprenticeships.

We collaborate to leverage common technologies, frameworks, and resources that enable us to onboard and train employees to perform independently in their roles. At Charles River, we grow the highest skilled talents to deliver on our world-class, integrated, cutting-edge science and portfolio. We provide tuition reimbursement for employees pursuing undergraduate and graduate degrees. We also provide a paid sabbatical program to support the learning and development of our employees.

In 2021, we launched a new enterprise learning management system, talentHUB learning, and assigned and delivered e-learning to new employees. The launch of this platform is part of a multi-year strategy to centralize, capture, and further integrate learning for our employees. Employees completed more than 292,000 courses in 2021, for an average of 15 completed courses per employee. These courses include on-demand e-learning through our LinkedIn Learning platform, legal compliance trainings, and courses captured in our two learning management systems: Campus and talentHUB learning. This average does not include a majority of the skill-based and scientific regulated training captured in local systems. We expect the number of our total course completions to increase year-over-year as we continue to integrate our learning into our talentHUB learning platform, making access more simple, efficient, and personalized.

Awards and Recognition

We are pleased to be named to the following surveys and rankings:

- 2021 Fortune: World’s Most Admired Companies
- 2021 Fortune: 100 Fastest Growing Companies
- 2021 Montreal’s Top Employers

We are also focused on investing in the development of our trainers and learning professionals globally. Our Trainer Qualification programs focus on ensuring consistency and quality in the way we prepare trainers to deliver regulated training. We also provide Trainer Perspectives podcasts and Global Trainer Workshops as opportunities for trainers to share experiences, learn, and grow their skills. The Charles River Global Learning Council meets monthly and brings together key business area leaders responsible for delivering Learning and Development to our organization, for sharing best practices, coordinating our efforts, and building global learning culture.

Talent Management Processes

Our Talent Management processes provide a structured approach to guide regular, meaningful conversations between people leaders and employees, supported by leader guides, tools, trainings, and coaching from their HR partner. This approach encourages employees to work with their people leader to take ownership of their goals, performance, and their career. Our goal-setting, development-planning, mid-year, and year-end review processes are consistent globally, and available to all employees in their local language. In 2020, 89% of our employees received a year-end performance review while in 2021, this increased to 93%.

We conduct annual organization and talent reviews to ensure that Charles River identifies and develops top talent for roles that will lead us into the future. In 2021, our Talent Management process focused on developing our next-generation talent and a more diverse leadership pipeline.

Leadership Development

People leaders play a critical role in delivering results and developing their people and teams. During 2021, we expanded our traditional classroom training opportunities for people leaders and introduced several new tools and resources. For example, we provided people leaders direct access to Engagement Pulse Survey results, Quick Guides to support conversations with employees, and Learning Power Hours to share best practices and learn from one another; we also launched the Global People Leader Resources online portal. Additionally, local business areas provide support and development for leaders through a variety of approaches such as coaching circles, localized leadership training, and mentoring programs.

Finally, during 2021, Charles River senior leadership aligned on a new set of future-focused behaviors—our CRL DNA. As a growing organization, we have the opportunity to build on our values, continue to improve and scale our talent practices, refine our work in developing leaders, and provide additional clarity and support to all colleagues in their career development journey. These behaviors are based on Charles River values, culture, and business strategy, and will form the foundation of future development for leaders and all employees in 2022 and beyond. The CRL DNA was created by a series of executive interviews, a review of our values and business strategy, input from diverse focus groups, and reviews and alignment with our senior executives.

Charles River is proud of our investment in employee engagement and development. In 2021, we successfully enhanced our approach to continuous listening and employee engagement, expanded our continuous learning and career opportunities, enhanced our learning capabilities and technology, refined our talent management processes, and set the foundation for leadership development through our new CRL DNA.

Total Rewards and Well-Being

At Charles River, we take a holistic approach across the entire employee experience to support engagement and retention; this is why we invest heavily in the well-being of our employees—from competitive total rewards packages to their health and safety and sense of belonging.

Total Rewards

Attracting and retaining top talent is essential to accomplishing our mission of bringing industry-leading service and products to our clients and transforming the conventional pre-clinical drug development timeline. Charles River offers Total Rewards—pay and benefits—that are competitive in our market. In 2020, to help us evaluate the equity of our pay, commensurate with experience and expertise, we conducted a biennial pay equity analysis to ensure that our compensation practices are market competitive and equitable across race and gender. This was in addition to the legally required, country-specific pay equity audits that we perform. While we did take corrective action in a small number of cases, our review reinforced that we do pay our people equitably regardless of race and gender. We continue to look for opportunities to build on our robust programs and make improvements or adjustments to ensure that we are market aligned.

We leverage internal data, peer benchmarking, market trends, and employee feedback to improve our compensation strategy. Our continuous review and improvement efforts allow us to ensure our compensation is competitive and supports career development and retention.

Leadership Development

At Charles River, we believe in developing our internal leaders, and we are proud to feature one of our own who has developed their career at Charles River. Birgit Girshick began her career at Charles River in 1989 in the Company's RMS Germany and Avian Vaccine Services businesses and held positions of increasing responsibility across the organization. In 2021, Ms. Girshick was named Executive Vice President and COO of Charles River. In her role as COO, Ms. Girshick is responsible for driving the Company growth strategy, leading the organization's digital transformation, chairing the ESG Council, and enhancing our position as the leading nonclinical CRO.

Charles River Total Rewards is part of our wider benefits offerings, which fall under three categories and may vary in the countries where we operate:

- **Core Benefits** include health benefits (e.g., medical/dental/vision); disability; retirement benefits; employee assistance program benefits; stock awards at eligible levels; stock purchase capability in certain countries; vacation and leave
- **Value Added** programs include additional offerings such premium membership to Care.com; tuition reimbursement; employee discounts; and employee recognition
- **Additional Benefits/Work-Life** offerings include our employee assistance plan; wellness programs; assistance with legal and financial guidance; paid volunteer time off; and our sabbatical program opportunities

In 2021, we announced the expansion of our U.S. tuition reimbursement offering to a maximum of $20,000 annually, regardless of the degree being pursued.

Employee Well-Being

Charles River is committed to supporting our people in their well-being journey, by providing resources and tools that align with our five pillars: Physical, Emotional, Community, Social, and Financial.

We have continuously adapted our well-being offerings as a result of COVID and through employee feedback to best aid our people during these unprecedented times, to support continuity and stability, both from a personal and professional perspective.

In 2021, COVID presented challenges both for Charles River and our employees. With the health and safety of our employees and their families as our top priority, our Global Crisis Management team continues to monitor the evolving conditions, update our response to ensure compliance in the jurisdictions where we operate, and continue to effectively support our people.

Response to the needs of our employees during this time has included expanded opportunities for remote work, and additional resources and support for employees across our pillars of well-being by broadening benefit offerings, such as additional time off and globalizing our employee assistance program. In addition, we formally launched employee resource groups (ERG)s in 2021, including an emotional health and wellness ERG.

To support well-being, we provide access to an international Employee Assistant Program (iEAP) for all employees and their household members. We also provide employees with a premium membership to Care.com and free access to Wellable, a streaming platform of fitness classes and mindfulness sessions. In addition, we broadened the scope of our paid Volunteer Time Off (VTO) to include “Acts of Caregiving,” through which employees can utilize their VTO in acts of care for another. In 2021, we also piloted a virtual tutoring program to support the education of Charles River employees’ children. Participating students received personalized tutoring and homework support in such subjects as physics, mathematics, languages, history, and writing. We offered three separate six-week sessions throughout the year.

As part of continuous engagement, we created an employee-focused central communication repository with COVID-related developments, updates, guidance, and policy changes. This includes information designed to help our employees make informed decisions about vaccinations as well as guidance on workplace safety, social distancing in and out of the workplace, safety tips for travel, guidelines on returning to work, and self-quarantine and isolation guidance.

For employees unable to work from home, we implemented enhanced safety precautions such as restricted building access, physical barriers, robust cleaning, daily screenings, social distancing, and contact tracing.

Diversity, Equity, and Inclusion (DE&I)

At Charles River, we are committed to building a safe, inclusive, and welcoming global workplace for all. We believe that building diverse teams with different backgrounds and perspectives helps strengthen our business, increases our ability to innovate, and deepens our impact on healthcare.

Diversity is a priority at every level at Charles River, including for the Board, which reviews our progress and efforts at least annually. Our Chief People Officer; our Vice President of Diversity, Equity, Inclusion, and Community; our Executive Director of Talent Acquisition; and the CEO-chaired DE&I Council oversee Charles River’s DE&I strategy.

52%
of our global Scientific/Technical roles are held by women

We review gender and generational representation globally, and race/ethnicity in the U.S., as part of our quarterly CEO business reviews to ensure accountability, monitor our progress, and evaluate the effectiveness of programs. Our dedicated HR Compliance Manager monitors the U.S. Affirmative Action Program. We are an equal employment opportunity (EEO) company and continuously revise internal policies to better promote diversity and equity in our organization.

With the goal of attracting and retaining diverse talent that reflects where we operate, we implement inclusive hiring practices across our global operations. At Charles River, our dedication to creating a culture of inclusion begins with our hiring and interviewing processes. To increase the diversity of our hiring, we rolled out unconscious bias training for our recruiters globally and implemented a process to increase diverse interview panels. In 2021, we had 85% diverse panels in the U.S. and 76% diverse interview panels globally. This resulted in 38% of our hires in the U.S. coming from underrepresented backgrounds. We believe these efforts help candidates see the diverse makeup of our organization and help support a sense of belonging. This also contributes to better decision-making in our selection process. We track our progress on DE&I efforts through key performance indicators (KPIs) for each of our strategic pillars.

Our diversity strategy consists of five pillars:

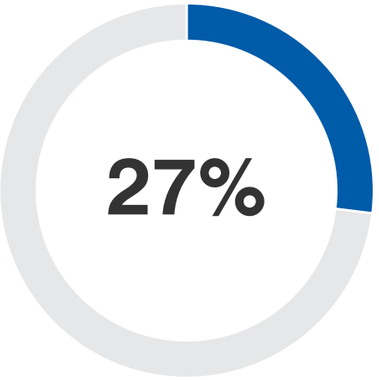
- **Build understanding and awareness**
- **Strengthen belonging and inclusion**
- **Increase diverse representation**
- **Focus on equity**
- **Partner with our communities**

We work to increase the diversity in our workforce, Board, and leadership to better represent our global patients and the communities that we serve. Nomination to our Board considers diversity, including but not limited to gender, race, ethnicity, sexual orientation, age, skills, background, and expertise.

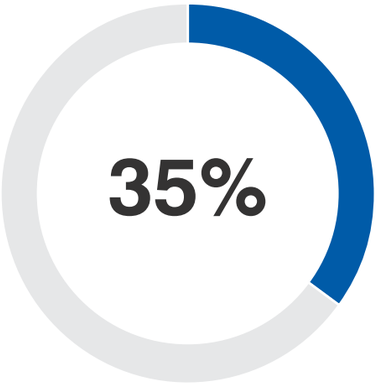
In 2021, our global leadership positions with the title of vice president or higher were 35% women. In total, women at Charles River comprise 60% of our global workforce, and our U.S. workforce is composed of 29% self-identified racial and ethnic minorities. Fifty-two percent (52%) of our global Scientific/Technical roles are held by women. Twenty-five percent (25%) of our global employees have a tenure of 10 years or more, a testament to our commitment to our people.

2021 Diversity Metrics[1]

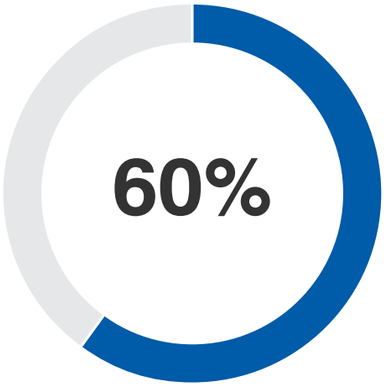
PERCENT OF BOARD OF DIRECTORS WHO IDENTIFY AS FEMALE



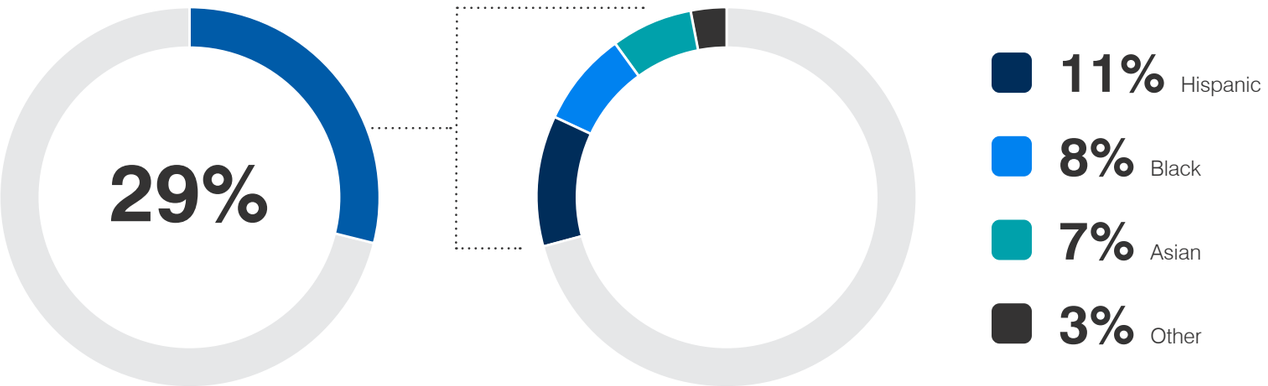
PERCENT OF GLOBAL EXECUTIVES WHO IDENTIFY AS FEMALE



PERCENT OF GLOBAL WORKFORCE WHO IDENTIFY AS FEMALE



PERCENT OF U.S. WORKFORCE WHO IDENTIFY AS RACIAL OR ETHNIC MINORITIES



1 Executives are defined as V.P. and above. For additional data, please refer to the Corporate Citizenship section of our website for our ESG Performance Data Table and EEO-1 reports.

To support our people, in 2021, we established seven global ERGs, overseen by our DE&I Council and each supported by a senior leader as Executive Sponsor. The goal of our ERG program is to provide employees with a sense of community and belonging while also building awareness and understanding of different perspectives and experiences throughout Charles River. Each of our ERGs provides opportunities for personal and professional development, leadership experience, and ally education. Our ERGs play a pivotal role in talent attraction through partnerships with external organizations and local universities. In December 2021, more than 800 Charles River employees were ERG members. We are looking to increase our membership and expand our ERGs in 2022 based on our employees' interests. Our current ERGs are:

- african ancestry
- asiatic pasifika
- emotional health and wellness
- proud
- veterans
- women
- young professionals

In addition to DE&I resources, we provide mandatory training to all employees on our commitment to diversity, inclusion, anti-harassment, anti-discrimination, and sexual harassment. In 2021 we had a completion rate of 99% for required Code of Business Conduct and Ethics training, which includes these topics.

In 2021, in support of our DE&I efforts, we held multiple workshops globally as part of our enterprise-wide Day of Understanding. More than 2,200 employees participated in educational sessions designed to mitigate unconscious bias, foster inclusion, and create a culture of belonging. Building on a successful pilot in 2020, we rolled out a 3-week Tackling Bias and Creating Inclusion workshop in 2021 to our senior people leaders. In 2022, we will continue this training for people leaders to build inclusive leadership skills and help mitigate unconscious bias.

Our employee engagement pulse surveys informed us in 2021 that 72% of respondents believe that Charles River has an inclusive environment. Surveys and engagement efforts also provide valuable feedback on how we can continue to improve our DE&I practices to ensure all employees have a voice, as well as to understand if different demographics are experiencing the workplace differently. For instance, we acted on feedback from these surveys to shape workshops on connecting across cultures and working across generations.

In 2021, we also launched enhanced guidelines to ensure a safe and welcoming environment for transgender employees in addition to updated brand guidelines to include pronouns on business cards and emails. To further build our culture of inclusion, we rolled out a set of guidelines for expected conduct for employees at every level of our organization. These frameworks are intended to foster inclusive collaboration, encourage openness to new ideas and perspectives, and empower employees to achieve their full potential in a safe, welcoming workplace.

CEO Action for Diversity and Inclusion

We are proud our CEO is a signatory of the CEO Action for Diversity and Inclusion, a global CEO-driven commitment to increase diversity and inclusion. In 2021, our CEO committed to increasing diverse representation at Charles River. Through our diverse interview approach, our targeted sourcing and our partnerships, we have increased our overall representation of employees from underrepresented racial and ethnic groups from 26% to 29%.

To view our CEO's commitment to cultivating a welcoming and inclusive environment for our global workforce, please visit the CEO Action for Diversity & Inclusion website. To learn more about our commitment to DE&I, please visit Our Commitment to Diversity, Equity & Inclusion website located in the About Us section of our website.

iBelong

As part of Charles River's continued commitment to DE&I, the Global DE&I team hosts monthly "I Belong at Charles River" conversations. These discussions are designed to foster greater understanding and awareness, celebrate diversity, and inspire inclusivity. Based on the generational diversity of our organization and specific feedback within our employee engagement survey, we offered sessions in multiple languages to discuss generational preferences and dispel stereotypes.

> "It was interesting to see how panel members related to certain qualities that are not ascribed to their generation. This reminds us to be diligent about unconscious biases based on stereotypes, be open minded and curious about each individual. This was a very rewarding experience. I was so motivated after being on the panel that I continued the discussions in my own meetings. Great way to learn more about our colleagues!"
>
> **ROULA S.**

our communities

INVESTING. CHAMPIONING. INSPIRING.

Our aim to create a healthier world through innovation requires a holistic approach to human health, which includes the communities where we live and work. Investment in our communities creates a lasting impact that improves lives, today, and in the future.

The Purple House—Mobile Dialysis for Remote Communities

When the Pintupi people of the Western Desert of Central Australia decided to take control of their health, Purple House was born. Establishing both a central dialysis center and a mobile dialysis unit helped ensure that local patients with renal failure would not have to leave their homes for treatment. Charles River's Endosafe® testing kits provide Purple House with the ability to test water samples more rapidly and cost-effectively—to test for clean water needed in dialysis. Community spirit, dedicated staff, and these cutting-edge technologies keep patients where they want to be—home with their families.

Community Involvement

At Charles River, we are proud to be the difference in our local communities across our three priority Community Areas of Focus:

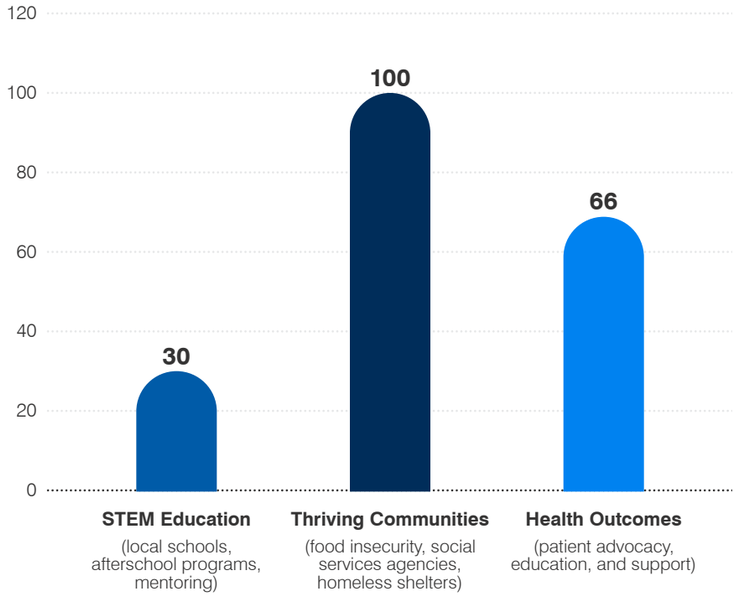
- **Thriving Communities:** Increasing access to basic human services
- **Science, Technology, Engineering, and Math (STEM) Education:** Inspiring the next generation of scientists and difference-makers
- **Health Outcomes:** Championing disease education and awareness

We believe that a healthier future belongs to us all, and we invest and serve our communities through both our time and philanthropic giving. The Global Community Involvement Team oversees our community engagement strategy and receives critical support from a network of more than 100 Community Ambassadors, employees who volunteer their time to help localize signature global programs, such as Rare Disease Month and Oncology Awareness Month, and work with local communities to plan and hold volunteer events at their sites. The Global Community Involvement Team and Community Ambassadors meet monthly for calls on Company-wide initiatives and participate in regular idea shares on best practices in community outreach. We use a global tool called the "CRL Cares" portal as a seamless platform for employees to engage in Company-sponsored volunteer opportunities and to measure our volunteer impact. To support community programs and initiatives, we maintain a dedicated budget for community projects with an emphasis on local work.

Throughout the COVID pandemic, our community support efforts have been more important than ever. In response to the continued challenges our local communities faced from COVID, Charles River implemented a special $2 million donation campaign in the summer of 2021, supporting a total of 196 community organizations in our geographies, including schools, homeless shelters, and local food banks.

In 2021, we also established the Charles River Employee Relief Fund, designed to provide financial assistance to Charles River employees in the aftermath of a natural disaster, adverse global events, or personal hardship.

COVID RESPONSE DONATION CAMPAIGN: TOTAL ORGANIZATIONS SUPPORTED BY AREAS OF FOCUS

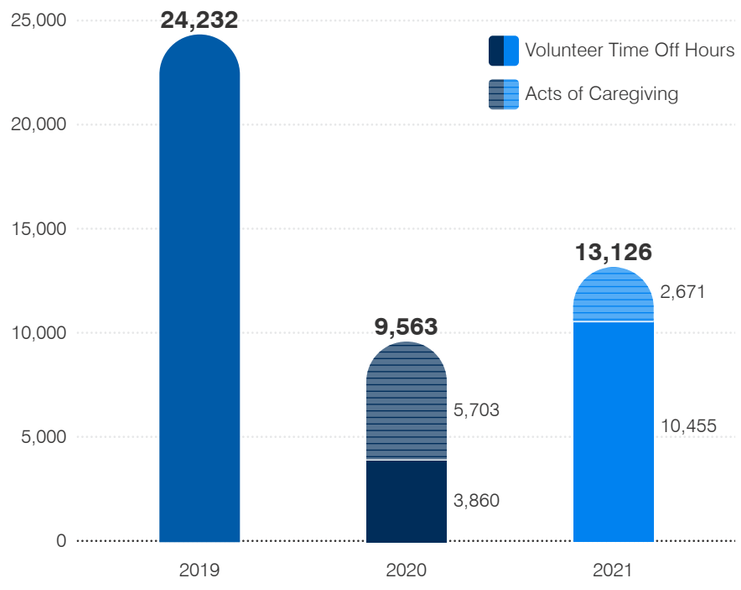


Volunteer Time Off (VTO)

Through our VTO program, Charles River employees each receive up to 12.5 hours of paid time annually to volunteer in the community. In fourth quarter 2020, we expanded the scope of our VTO program to include “Acts of Caregiving.” This enabled our people to use their VTO in acts of giving care to another, such as helping their child with virtual learning at home or driving a loved one to a medical appointment. We extended our Acts of Caregiving offering throughout 2021.

In-person volunteering remained limited throughout 2021 because of the pandemic, and our 2021 Global Day of Service was canceled as a result. Despite these challenges, our people used more than 13,000 hours of VTO in 2021, including donating blood in local blood drives and lending their skills through virtual volunteering.

TOTAL VOLUNTEER TIME OFF HOURS



Thriving Communities

Our focus in Thriving Communities is to meaningfully partner with organizations, such as food banks, emergency shelters, and youth and family service agencies that provide essential human services to children and vulnerable populations. Global Community Ambassadors and our CRL Cares portal help connect our colleagues with opportunities to safely give back in their communities.

As a result of the COVID pandemic and continued restrictions on in-person volunteering, we replaced our annual Global Day of Service with our inaugural Acts of Kindness month in May 2021. During the month-long event, employees were encouraged to Be the Difference by performing small acts of kindness for one another and their communities. Employees also engaged in a friendly challenge to complete an Acts of Kindness Bingo card and had the opportunity to recognize colleagues they felt had gone above and beyond in 2021 by nominating them as a Charles River Kindness Hero.

In 2021, we donated to 25 food banks around the globe, resulting in more than 2.5 million meals (3 million+ pounds of food) provided to individuals in need. Within the U.S., our donations through our partnership with Feeding America were directed to provide equitable access to nutritious food to underserved populations within the communities where we live and work. Employees in the U.S., Canada, Europe, and Asia hosted various drives to donate goods such as food, hygiene, and baby items to local food banks. Our site in Charleston, South Carolina, was also the presenting sponsor to the Lowcountry Food Bank’s inaugural Walk to Fight Hunger, to walk and raise funds to help address food insecurity in the 10 coastal counties of South Carolina served by the Lowcountry Food Bank.

The Big Hare Trail

In 2021, our site in Tranent, Scotland, participated in a local Big Hare Trail, sponsoring a six-foot tall statue of a hare beautifully painted with images of neurons by a local artist living with Parkinson’s disease. Charles River’s hare was one of 10 hares placed in locations in and around the town, creating a trail and walking experience over the summer for a 10-week period for residents and travelers. Our employees volunteered throughout the summer to walk and clean the trail. At the end of the 10-week event, Charles River bid on our hare, with all proceeds benefiting a local respite center for individuals living with neurological conditions such as multiple sclerosis and Parkinson’s disease. The hare now resides at our Tranent site to greet employees and visitors.

500 STEM Kits Assembled for Kids in Foster Care

As part of STEM Day, 10 Charles River sites collectively assembled 500 STEM Boxes in partnership with charity Together We Rise. Each STEM Box is an interactive kit containing four STEM-related experiments. In addition to the science experiments, the boxes each contained a STEM booklet, lab coat, safety goggles, name badge, and a fun STEM-themed cup. The assembled STEM Boxes were donated to foster care agencies within our local communities of business, to be provided to youth living in foster care.

STEM Education

Our impact in STEM education is focused on introducing today's youth to the possibilities of a career in STEM, and in doing so, inspiring the next generation of scientists and difference-makers. We do this by providing access to quality STEM materials and opportunities to engage in STEM hands on.

On November 8, 2021, we hosted our first STEM Day, highlighting our work at various Charles River sites in STEM outreach, including career expos, laboratory tours, work study and internship programs, mentorship programs, school supply drives, virtual field trips, online science fairs, and STEM lunch kits. Also new in 2021, we piloted the Eureka online science fair competition, to offer the children of Charles River employees a chance to learn about science and research by designing their own experiments. The competition had two age categories (10–13 and 14–18), and the students, who participated virtually from the U.S., Canada, India, and Brazil, had two and a half months to complete their projects as well as opportunities to engage in eight online webinars presented by Charles River scientists on different topics. Charles River scientists judged the science fair entries, with prizes awarded among the students.

One of our growing areas in STEM education is classroom outreach. For example, our site in Harlow, UK, is partnering with local primary and secondary schools to support underserved students with STEM-related topics. The site has assigned a Charles River STEM Ambassador to each school as a main point of contact for teacher support. The Harlow STEM Team works closely to ensure alignment to the curriculum and provide teachers with additional scientific support. The team has engaged students from six schools with content about biology and chemistry-related topics and is offering this content virtually amid COVID. Almost 4,000 miles away in Michigan, our Mattawan site is partnering with local public schools to provide interactive STEM activities to be completed at home with the guidance of family. In summer 2021, the Mattawan STEM Team created kits with different types of science activities and supplied more than 4,600 of these kits to area schools. These kits made their way into school lunch bags and home with families.

Health Outcomes

Our focus in Health Outcomes is championing disease education and awareness in our key therapeutic areas of research, such as oncology and rare disease. Charles River worked on 93% of oncology drugs and 87% of the rare and orphan disease drugs approved by the FDA in 2021. In support of raising awareness of the importance of our continued scientific contributions, Charles River employees participate in Purpose Months, an opportunity for our people to engage in the impact of our work in these therapeutic areas and to reflect on the fact that we remain in a race for cures for patients in need around the world.

In 2021, we shifted to increased virtual offerings during our two purpose months: Rare Disease Month and Oncology Awareness Month. We partnered with rare disease charities to offer virtual skills-based sabbatical opportunities to support the important work of these charities in support of the rare disease patient community. We promoted lunch-and-learn sessions for our employees to connect directly with partner nonprofits, patients, and fellow colleagues involved in our exquisite science. In addition, we hosted friendly employee competitions and quizzes about our scientific impact and to increase rare disease and oncology awareness.

Our sites also coordinated volunteer activities, such as sewing pillows and assembling care kits, to donate to local hospitals and patients. During our 2021 Oncology Awareness Month, employees collectively volunteered more than 1,000 hours to assemble and donate over 1,000 care kits to cancer patients. In Europe, employees volunteered almost 2,500 hours in 2021 through an open science collaboration with M4K Pharma, which is seeking to find a treatment for a rare pediatric cancer through open science. Our chemists have volunteered their time to design and synthesize compounds and even provide consultancy services to M4K.

our environment

HEALTHY. SAFE. SUSTAINABLE.

Creating a healthier world starts with our daily actions. At Charles River, we are dedicated to promoting a healthy, safe, and sustainable workplace as an integral part of our commitment to being a good corporate citizen. Working in a healthy, safe, and sustainable manner is embedded into everything we do, and every decision we make.

EV Charging Stations

Charles River employees are driven by a mission to create a healthier world by leveraging technology to protect the environment. In 2021, we began a long-term project to provide convenient electric vehicle charging stations at our global facilities—made possible by the Charles River Annual Sustainability Capital Fund. This project helps empower employees to reduce individual environmental impacts by driving electric vehicles.

Our Environmental, Health, Safety, and Sustainability Strategy

Charles River's global Environmental, Health, Safety, and Sustainability (EHS&S) practices are guided by a sense of purpose and a commitment to create healthier lives, while safeguarding the planet for future generations. We believe that by implementing safe and sustainable business practices, we will safeguard the environment and the health and safety of our employees, visitors, clients, communities, and planet.

Our approach to EHS&S continuously evolves and expands with our global footprint, and is guided by our Global Policy on Safety & Sustainability. Supporting the global EHS&S policy, our EHS&S strategy outlines how we manage EHS&S within Charles River.

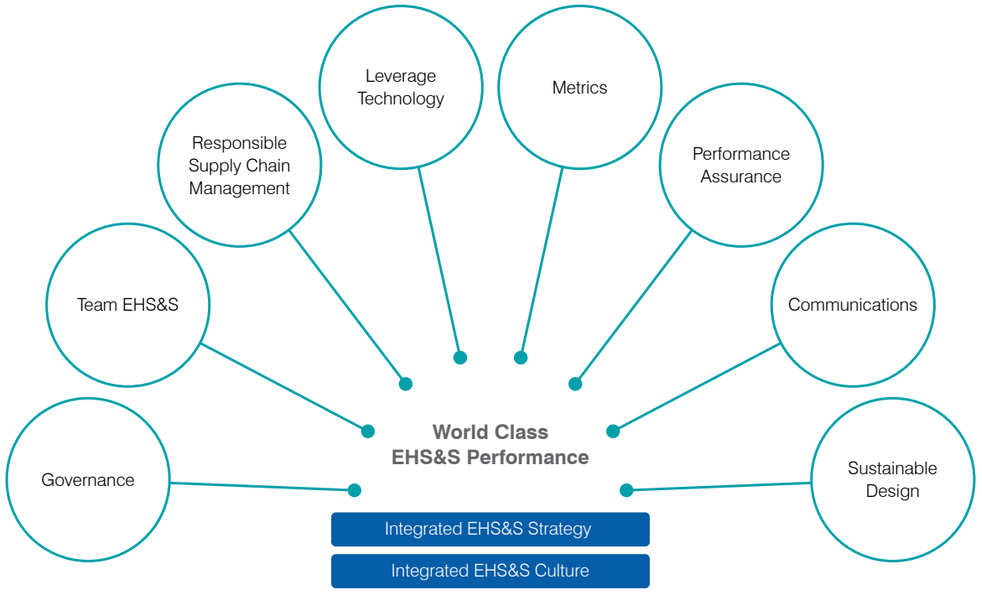
EHS&S Strategic Plan

In 2019, we rolled out the Charles River EHS&S Path Forward Strategic Plan. The plan aligns global sites with common operating and management elements including objectives, goals, programs, and policies. The strategic plan is the foundation of our environmental and safety performance success to date and is largely responsible for promoting a vision of working safely and sustainably. The EHS&S strategy is built on eight strategic priorities and two cornerstones.

Cornerstones and Priorities

To ensure we act consistently, and with Charles River values across our global footprint, we are committed to continuously assessing and revising the EHS&S strategy as we grow, acquire new businesses, and achieve our EHS&S goals.

EHS&S STRATEGY



EHS&S Metrics

Public Goal	Baseline Year	Target Year	Progress Through 2021
Reduce Scope 1 and 2 Greenhouse Gas emissions (GHG) by 50% from a baseline year of 2018	2018	2030	25% reduction
Reduce Scope 3 GHG emissions by 15% from a baseline year of 2019	2019	2030	18% increase
Achieve 100% renewable electricity	N/A	2030	38% achieved
Reduce Total Recordable Incident Rate (TRIR) by 50% from a baseline year of 2018	2018	2030	19% reduction

We have set aggressive goals that measure progress toward achieving the Charles River vision of working safely and sustainably, and we work to integrate our vision and goals into business practices. For example, our EHS&S leaders globally hold quarterly business reviews with both business and site leaders to review EHS&S KPIs, progress toward targets, and discuss key initiatives on our safety and sustainability journey.

Climate Change and GHG Emissions

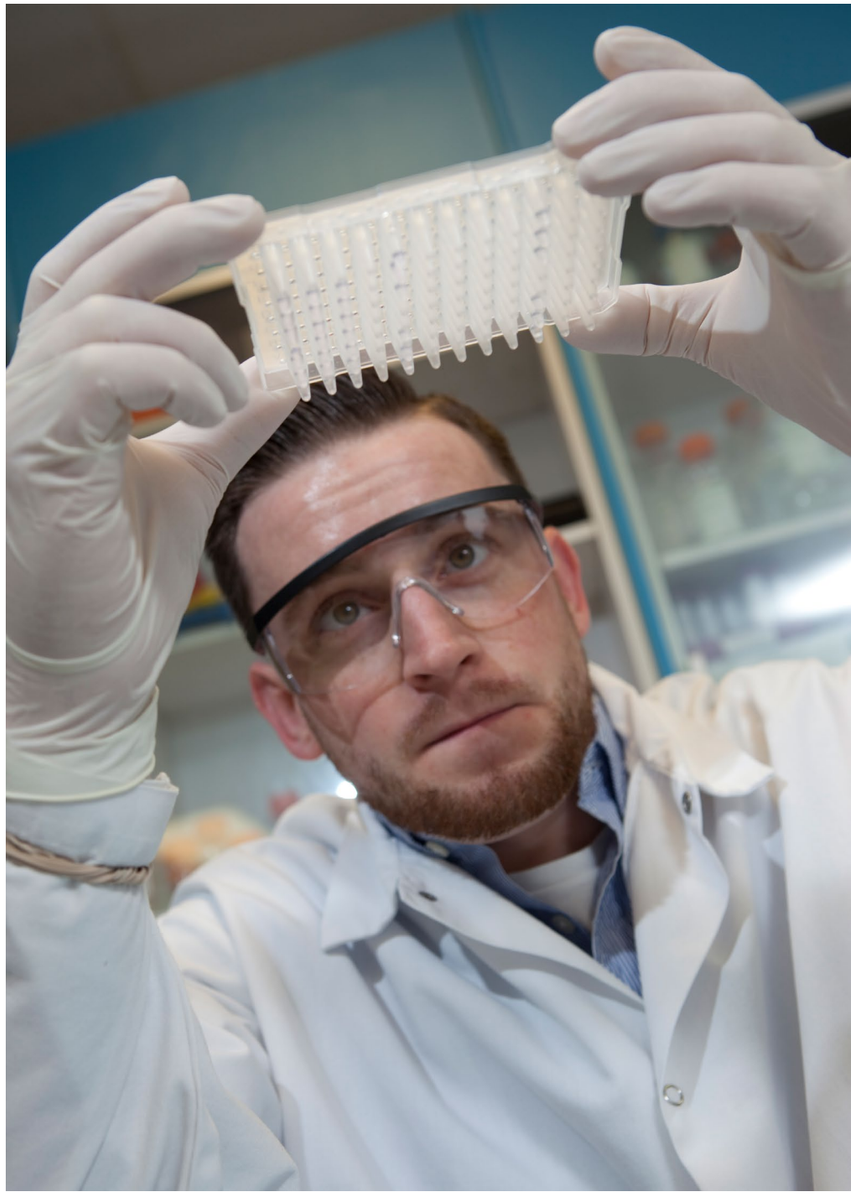
Climate change has the potential to adversely impact Charles River's business, supply chains, clients, and communities. We are committed to doing our part to limit climate change by setting aggressive goals and working to reduce our carbon footprint. As an industry leader, we have a responsibility to plan for, and work to limit the impact of climate change.

With the anticipated threat of more severe weather, we continue evaluating potential impacts, such as flooding, and have built redundancy into Charles River supply chains to mitigate risks where practical. For example, to address the potential of severe weather risks, we recently built additional capacity in product storage facilities at two key production facilities in the U.S.

To ensure meaningful Charles River impact reductions, our rigorous SBTi approved goals include Scope 1 and 2 GHG reductions in line with a 1.5°C pathway, and Scope 3 GHG emissions reductions in line with a 2°C pathway.

Renewable Energy

Purchasing renewable electricity is a key Charles River carbon reduction strategy and in 2020, we committed to achieving 100% renewable electricity (RE100) globally by 2030. To help us achieve RE100, we have begun entering into virtual Power Purchase Agreements (vPPAs). In June 2021, we entered into a 15-year 100 megawatt solar agreement, which will provide 100% renewable electricity to our North America operations beginning in early 2023. In December 2021, we signed a 12-year European vPPA for approximately 30 megawatts of wind energy in Spain. This agreement will convert European operations to 100% renewable electricity beginning in Q1 2023. As of year-end 2021, 38% of our electricity was renewable. As a result of the two vPPAs, Charles River anticipates 90% of all its global electricity will be supplied by renewable energy by 2023, well on our way to achieving 100% renewable electricity globally by our goal date of 2030.



Global Water and Waste Reduction Projects

In Ashland, Ohio, our laboratory team uses pipette tip washing and recycling technology to reduce the volume of single-use plastic going to landfill.

In our Durham, North Carolina; Edinburgh, Scotland; Senneville, Quebec; and Mattawan, Michigan; laboratory sites, we are piloting virtual staining technology. This technology reduces annual chemical use, eliminates 1,300 gallons of hazardous waste, and saves 70,000 gallons of water. The project will also avoid approximately five metric tons of Scope 3 GHG emissions by eliminating the need to ship tissue slides between Charles River facilities and client sites.

In Pinghu, China, our Charles River colleagues save 6 million gallons of water annually through an on-site water reuse program.

Scope 3 Emissions

Charles River Scope 3 emissions reduction goals are built on engagement and collaboration with our suppliers. Understanding supplier emissions is a key step to more accurately determining Charles River's Scope 3 value chain GHG emissions. In May 2021, we began engaging with suppliers through the Ecodesk platform to capture GHG emissions data. Over the next few years, we will continue to engage suppliers and explore opportunities for impactful GHG emissions reductions in our supply chain.

Waste

Charles River's waste management strategy follows the waste management hierarchy focused on reducing waste generation, promoting reuse and recycling of waste, and, where practical, limiting waste to landfill. To help advance our waste management initiatives, we are in the process of engaging with select waste vendors to help us advance our waste management and minimization efforts. After key vendors are selected, we will establish a global baseline for waste management, and publicly disclose our waste KPIs.

Water

We believe that part of being a globally responsible corporate citizen is conserving shared natural resources, including water. Our EHS&S Global Operating Framework (GOF), along with our Sustainable Design program, addresses and promotes water conservation. While we promote and encourage water stewardship at all our sites, we do not yet have enterprise KPIs for reporting global water use.

Employee Health and Safety

Ensuring that every Charles River employee can depend on a safe, healthy work environment is our top priority. Employees are without question our greatest asset, and they are truly what makes us a global industry leader. Our approach to employee safety includes continuous identification of safety performance improvement opportunities and collaboration with both site leaders and senior leaders to promote a culture of safety. The 2021 roll-out of our EHS&S GOF is driving safety improvements at sites through the harmonization of program requirements and expectations, as well as the promotion and sharing of best practices and model site programs. In addition, the recent adoption in late 2021 of an EHS&S Management Information System (MIS)—Enablon, and implementation globally in 2022, will continue to harmonize and promote consistency in the way we manage, track, and record incidents and leading indicators, including near misses and unsafe conditions. The EHS&S MIS will also allow Charles River to more easily conduct proactive safety inspections and assign corrective actions to individuals.

Sustainable Design

Sustainable design has become an integral component of Charles River's business strategy, and now informs the way we both design and build new facilities and those that we are retrofitting or remodeling. The Charles River Laboratories Sustainable Design Guidance document informs our design considerations, including energy efficiency, fossil fuel reduction, water conservation, waste minimization, and safety.

Global engineering teams, project managers, and key external architectural and engineering partners are trained in and support the incorporation of our sustainable design tenets into new project designs. We support our sustainable design efforts with the Charles River $5 million Annual Sustainability Capital Fund. Established in 2020, the fund provides a mechanism for a higher level of sustainability performance in all design projects at Charles River. Sustainability projects totaling approximately $4.5 million were approved and funded in 2021 under the Sustainability Capital Fund, with anticipated lifecycles of 10 to 25 years that will reduce or avoid annual Scope 1 and 2 GHG emissions by approximately 3%.

Performance Assurance

In 2021, our EHS&S team used a collaborative approach to develop the Charles River EHS&S GOF, which outlines a high-level, consistent, and cohesive framework for managing EHS&S within Charles River. The framework was developed by a team of 25 largely site-based EHS&S professionals and was introduced to the broad Charles River EHS&S community via training sessions in late 2021.

The EHS&S GOF is available to all employees via the Charles River EHS&S intranet site. We are populating the GOF with supporting model programs and best practices, which will facilitate knowledge sharing and provide best practice examples from across Charles River. Implementation tools and a suggested implementation timeline have also been developed to assist global Charles River sites in identifying program gaps and implementing modifications to existing EHS&S programs.

Communications

Working safely and sustainably is fundamental to how we do business, and we strive to integrate that philosophy into everything we do. Achieving our long-term safety and sustainability goals depends on every Charles River employee contributing to continued success. We inform employees of goals, progress, and achievements via Company newsletters, the Company intranet site, town hall meetings, CEO videos, Earth Day communications, and other communications throughout the year. More detailed Team EHS&S communications include sharing best practices with EHS&S team members during monthly Global EHS&S Council meetings; monthly EHS&S office hours; and via our EHS&S intranet site which houses the EHS&S GOF, model EHS&S programs, and best practices documents.

Additionally, we communicate progress and strategic direction to external stakeholders through our Corporate Citizenship Reports and Charles River Corporate Citizenship website. As part of our transparency efforts, we also communicate information concerning our EHS&S programs and KPIs via various leading environmental surveys such as CDP Climate.

Shunde Heat Recovery

In 2021, the Charles River Annual Sustainability Capital Fund enabled investment in a facility-wide heat recovery system at our Research Models facility currently under construction in Shunde, China. The site is expected to be completed and operational in 2022. Heat recovery technology will reduce electricity use by approximately 6.7 million kilowatt-hours, while also avoiding approximately 4,000 metric tons of CO_2e annually. We are also in the design phase to install a second facility-wide heat recovery system at another facility in China.

Governance

At Charles River, the Global EHS&S Group provides leadership, guidance, technical expertise, and oversight as we work to integrate a vision of working safely and sustainably across our global businesses. The EHS&S function is overseen by the Senior Director of EHS&S, who reports to the Vice President of Procurement and Facilities Support, who in turn reports to the CFO. EHS&S strategy is managed and implemented collaboratively by Team EHS&S, comprised of the Global EHS&S group, and site EHS&S leaders. The EHS&S function works closely and coordinates activities with the Charles River Global Energy Engineer, who focuses on implementing energy conservation projects and promoting our sustainable design efforts.

EHS&S performance and progress toward our goals is evaluated and reviewed quarterly with global, business unit, and site leaders. Focused on continuous improvement and meeting our 2030 EHS&S goals, we track KPIs and metrics to evaluate and improve performance.

Team EHS&S

EHS&S initiatives and programs are the result of collaboration between the Global EHS&S Group and our site-based EHS&S teams, which are collectively known as Team EHS&S. At the global sites, EHS&S leaders work in tandem with site leadership to collectively improve their EHS&S programs and performance. Collectively, site leadership is responsible for driving progress forward toward site based EHS&S targets, which in turn support Charles River's overarching corporate EHS&S goals. Site-based Energy Efficiency Champions work in conjunction with the Global Energy Engineer to drive energy saving initiatives and reduce GHG emissions. Our Green Labs teams work to make laboratories more sustainable by reducing water use, minimizing waste, and conserving energy.

To promote collaboration and engagement of our EHS&S programs, we hold several monthly forums to discuss new initiatives and facilitate the sharing of best practices, resources, and ideas.

Collaborative forums:

- **EHS&S Operations Meeting**—A global monthly meeting to discuss strategy and tactics. Participants include our Global EHS&S group, as well as site EHS&S Leaders.
- **EHS&S Council Meetings**—Monthly meetings include all members of Team EHS&S, both global and site based. At Council meetings, we discuss EHS&S strategy, progress toward goals, new initiatives, best practices, and pending or new regulatory requirements.
- **EHS&S Office Hours**—Supplementing the Council Meetings, monthly Office Hours offer opportunities for Team EHS&S to drop in and ask questions or discuss current initiatives with the Global EHS&S Team, as well as other site based EHS&S staff.
- **Energy Efficiency Champions Meetings**—Monthly meetings for energy efficiency champions to share updates, initiatives, and best practices. Meetings also include presentations by external thought leaders and technology providers.
- **Green Labs Team**—Monthly meetings guided by the Global Energy Engineer to collaborate on energy conservation, waste management, recycling, technology adoption, and other sustainable laboratory strategies.

Responsible Supply Chain Management

Charles River supply chain partners are an integral part of our business, and we rely on supply chain contractors, consultants, suppliers, and agents to help us progress toward our business and EHS&S goals. We are dedicated to acting as responsible corporate citizens in every aspect of our business including in our global supply chain. With the help of our suppliers, we operate responsibly by ensuring quality, accountability, and visibility across Charles River's value chain. In addition, we strive for close collaborative relationships with our suppliers to ensure resilience that allows us to continue serving clients in the face of potential supply chain disruptions.

Our supply chain is managed by the Vice President of Global Procurement, who reports to the Corporate Vice President of Procurement and Facilities Support, who in turn reports to the CFO. To manage supply chain efforts, our JAGGAER Supplier Management Module provides visibility into key supplier characteristics that help manage strategic relationships through a focus on mutual, continuous improvement. Our JAGGAER Supplier Management Module also helps Charles River evaluate potential new supply chain partners by assessing potential risk from both a business continuity and ethics perspective.

To assess additional supply chain risks, we use tools that improve the completeness and accuracy of our supplier data, while also allowing us to gather information identifying potential associated risks. For new and existing suppliers, we leverage these tools to build new processes and procedures for:

- Continuously monitoring key risk indicators
- Collecting specific data and certifications to better understand ESG characteristics and performance
- Leveraging ESG characteristics to guide purchasing decisions

In addition, we require all new suppliers to complete a self-screening questionnaire that includes confirming they will either comply with the Charles River Supplier Code of Conduct (Supplier Code) or stating that their company code of conduct is aligned with the Supplier Code. Our Supplier Code covers actions related to ethics and compliance, fair treatment and human rights, health and safety, environment, and management systems. To ensure the accountability of our suppliers, suppliers' employees may anonymously report any concerns through the Charles River Compliance and Ethics Helpline. For more information about the Supplier Code and our Helpline, please refer to the Legal Compliance Policies section of our website.

Moving forward, we will streamline our supply chain to increase visibility, reduce risk, and increase meaningful engagement with supplier partners over the long term. For more about our supplier relationship management, please refer to Supplier Information section of our website.

Industry Supply Chain Initiatives

In June 2021, we became a member of the Pharmaceutical Supply Chain Initiative (PSCI), an association of pharmaceutical and healthcare companies dedicated to promoting responsible supply chain practices in the areas of human rights, ethics, labor, health and safety, and environment. As a member of the PSCI, we adhere to their Principles for Responsible Supply Chain Management, and we expect our supply chain partners to adhere to the same high standards. While Charles River's Supplier Code is aligned with the PSCI Principles, we have begun enhancing our responsible supply chain management program by participating in various PSCI work groups and implementing PSCI best practices. We are now leveraging many of the tools and resources of the PSCI to increase alignment with core PSCI principles across our supply chain.

Climate and Supplier Leadership

For the 2021 CDP Reporting period, Charles River received a Climate Score of A- and was named a CDP Supplier Engagement Leader with an A score. Widely recognized as the leading carbon disclosure and rating system worldwide, achievement of these CDP scores places Charles River within the top 10% of respondents and reflects our leadership position in both categories. For the full list of companies, including Charles River, that achieved a place on the leaderboard this year visit the CDP website.

Small and Diverse Suppliers

We believe that partnering with diverse and small suppliers fosters innovation, creates economic opportunities, and optimizes value for our internal stakeholders. Charles River is a U.S. government contractor, and as such, a percentage of our annual spend is reserved for small businesses. We continuously strive to increase our spend with small business and diverse suppliers, which include small, minority-owned, woman-owned, small-disadvantaged, HUB Zone veteran-owned, service-disabled, and veteran-owned businesses. Our small and diverse-business programs currently operate in the U.S. and will expand to our global footprint in the future.

2021 SUPPLIERS: SMALL AND DIVERSE SPEND[1]

Supplier	Spend
Small Business	$136,678,390
Veteran	$1,707,279
Women Owned Business	$10,240,400
Minority	$1,133,657
Small Disadvantaged Business	$6,205,800
Disadvantaged Business	$538,674
HUB Zone	$193,210
Veteran Disabled Business	$160,362

1 Some suppliers may be classified in one or more area.

Leveraging Technology

Adopting new technologies aligns with Charles River's continuous improvement philosophy by allowing us to more effectively track and manage KPIs, centralize our data management, and more readily identify opportunities for improvement. To manage our efforts and ensure process improvement, we monitor our energy usage and GHG emissions data with the EcoStruxure™ Resource Advisor tracking software.

Over the next few years, we will also leverage this tool to manage waste and water metrics, allowing us to more holistically track and manage our environmental impact. In early 2021, we began implementation of an EHS&S MIS software solution, Enablon. The EHS&S MIS will allow us to efficiently track and manage incidents, permits and licenses, audits, and inspections, as well as occupational health data.

> Implementation of our EHS&S MIS is a great step forward on the digital journey for our EHS&S function. Throughout 2022, we will begin looking at a more proactive safety management approach, including reporting of near misses and unsafe conditions as opposed to focusing only on incidents after the fact.
>
> **GERRY HORNOK, SR. MANAGER EHS&S**

GRI Content Index

GRI General Disclosures

Disclosure	Description	Reference Location / Response
GRI 102: General Disclosures		
Organizational Profile		
102-1	Name of the organization	Charles River Laboratories International, Inc. / Our Company—About Charles River Laboratories / 2021 Form 10-K, page 1
102-2	Activities, brands, products, and services	Our Company—About Charles River Laboratories / Our Leadership / CRL Corporate Website—Our Capabilities
102-3	Location of headquarters	Wilmington, Massachusetts, United States / 2021 Form 10-K, page 1
102-4	Location of operations	CRL Corporate Website—Locations
102-5	Ownership and legal form	2021 Form 10-K, page 1
102-6	Markets served	Corporate Website—Solutions by Industry / 2021 Form 10-K, page 11, 65
102-7	Scale of the organization	Our Company—About Charles River Laboratories / CRL Corporate Website—Locations / 2021 Form 10-K, page 2, 12, 65
102-8	Information on employees and other workers	ESG Performance Data / 2021 Form 10-K, page 12
102-9	Supply chain	Our Environment—Responsible Supply Chain Management / CRL Corporate Website—Supplier Information / ESG Performance Data
102-10	Significant changes to the organization and its supply chain	2021 Form 10-K, page 40-41
102-11	Precautionary principle or approach	Charles River manages and reports on our Company's risks and impacts in consideration of the precautionary principle.

Disclosure	Description	Reference Location / Response
102-12	External initiatives	Our Company—Partnerships and Memberships / CRL Corporate Website—Animal Welfare
102-13	Membership of associations	Our Company—Partnerships and Memberships
Strategy		
102-14	Statement from senior decision-maker	From Our CEO
102-15	Key impacts, risks, and opportunities	From Our CEO / 2021 Form 10-K, page 16-34
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Our Company—Our Values and Culture / Our Leadership—Legal Compliance and Ethics
102-17	Mechanisms for advice and concerns about ethics	Our Leadership—Legal Compliance and Ethics / Compliance and Ethics Helpline / Code of Business Conduct and Ethics
Governance		
102-18	Governance structure	Our Leadership—Governance / CRL Corporate Website—Corporate Governance / CRL Corporate Website—Committees / 2021 Form 10-K, page 14, 15, 111
102-20	Executive-level responsibility for economic, environmental, and social topics	Our Leadership—Governance
102-21	Consulting stakeholders on economic, environmental, and social topics	About This Report
102-22	Composition of the highest governance body and its committees	Our Leadership—Governance / CRL Corporate Website—Corporate Governance / Corporate Governance Guidelines / 2021 Form 10-K, page 15, 111
102-23	Chair of the highest governance body	From Our CEO / CRL Corporate Website—Corporate Governance / 2022 Proxy Statement, page 2, 8-14
102-24	Nominating and selecting the highest governance body	Our Leadership—Governance / CRL Corporate Website—Corporate Governance / Corporate Governance Guidelines / CRL Corporate Website—Governance and Nominating Committee / 2022 Proxy Statement, page 19-20
102-25	Conflicts of interest	Our Leadership—Legal Compliance and Ethics / Corporate Governance Guidelines / Code of Business Conduct and Ethics

Disclosure	Description	Reference Location / Response
102-26	Roles of highest governance body in setting purpose, values, and strategy	Our Leadership—Governance / 2022 Proxy Statement, page 21/ 2021 Form 10-K, page 15
102-27	Collective knowledge of highest governance body	Our Leadership—Governance / 2021 Form 10-K, page 15-16
102-29	Identifying and managing economic, environmental, and social impacts	2022 Proxy Statement, page 25-28 / 2021 Form 10-K, page 23-30
102-30	Effectiveness of risk management processes	Our Leadership—Risk Management / 2021 Form 10-K, page 20, 56 / 2022 Proxy Statement, page 16
102-32	Highest governance body's role in sustainability reporting	Our Leadership—Governance
102-33	Communicating critical concerns	CRL Corporate Website—Corporate Governance / 2022 Proxy Statement, page 23 / 2021 Form 10-K, page 15
102-35	Remuneration policies	2021 Form 10-K, page 10, 45, 102, 111
102-36	Process for determining remuneration	2021 Form 10-K, page 45, 111, 115 / 2022 Proxy Statement, page 45
102-37	Stakeholders' involvement in remuneration	2022 Proxy Statement, page 18, 38
102-38	Annual total compensation ratio	2022 Proxy Statement, page 73
Stakeholder Engagement		
102-40	List of stakeholder groups	About This Report—Stakeholder Engagement
102-41	Collective bargaining agreements	2021 Form 10-K, page 12
102-42	Identifying and selecting stakeholders	About This Report—Corporate Citizenship Priorities
102-43	Approach to stakeholder engagement	About This Report—Stakeholder Engagement
102-44	Key topics and concerns raised	About This Report—Corporate Citizenship Priorities

Disclosure	Description	Reference Location / Response
Reporting Practices		
102-45	Entities included in the consolidated financial statements	2021 Form 10-K, page 65
102-46	Defining report content and topic Boundaries	About This Report—Reporting Practices
102-47	List of material topics	About This Report—Corporate Citizenship Priorities
102-48	Restatements of information	About This Report—Reporting Practices
102-49	Changes in reporting	About This Report—Reporting Practices
102-50	Reporting period	About This Report—Reporting Practices
102-51	Date of most recent report	About This Report—Reporting Practices
102-52	Reporting cycle	About This Report—Reporting Practices
102-53	Contact point for questions regarding the report	About This Report—Reporting Practices / CorporateCitizenship@crl.com
102-54	Claims of reporting in accordance with the GRI Standards	About This Report—Reporting Practices
102-55	GRI content index	Appendix—GRI Index
102-56	External assurance	About This Report—Reporting Practices

Topic-Specific Disclosures

Disclosure	Description	Reference Location / Response
GRI 200: Economic		
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	2021 Form 10-K, page 59
201-2	Financial implications and other risks and opportunities due to climate change	CDP Climate Change 2020 Response, Section C2. Risks and Opportunities
201-3	Defined benefit plan obligations and other retirement plans	2021 Form 10-K, page 88
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Our Environment—Responsible Supply Chain Management / ESG Performance Data
GRI 300: Environmental		
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Our Environment—EHS&S Metrics, Energy and Greenhouse Gas Emissions / ESG Performance Data
302-4	Reduction of energy consumption	Our Environment—EHS&S Metrics, Energy and Greenhouse Gas Emissions
GRI 305: Emissions 2016		
103-1	Explanation of the material topic and its Boundary	Our Environment—Climate Change and Greenhouse Gas Emissions / Boundary—internal, global operations
103-2	The management approach and its components	Our Environment—Climate Change and Greenhouse Gas Emissions / Boundary
103-3	Evaluation of the management approach	Our Environment—Climate Change and Greenhouse Gas Emissions / Boundary

Disclosure	Description	Reference Location / Response
305-1	Direct (Scope 1) GHG emissions	Our Environment—EHS&S Metrics, Energy and Greenhouse Gas Emissions / ESG Performance Data
305-2	Energy indirect (Scope 2) GHG emissions	ESG Performance Data
305-3	Other indirect (Scope 3) GHG emissions	ESG Performance Data
305-5	Reduction of GHG emissions	From Our CEO / Our Environment—EHS&S Metrics, Energy and Greenhouse Gas Emissions / ESG Performance Data
GRI 307: Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	ESG Performance Data
GRI 308: Supplier Environmental Assessment		
103-1	Explanation of the material topic and its Boundary	Our Environment—Responsible Supply Chain Management / Boundary—external, global supply chain
103-2	The management approach and its components	Our Environment—Responsible Supply Chain Management / CRL Corporate Website—Supplier Information
103-3	Evaluation of the management approach	Our Environment—Responsible Supply Chain Management / CRL Corporate Website—Supplier Information
308-1	New suppliers that were screened using environmental criteria	Our Environment—Responsible Supply Chain Management
GRI 400: Social		
GRI 401: Employment 2016		
103-1	Explanation of the material topic and its Boundary	Our People—Talent Attraction and Retention / Boundary—internal, all global operations
103-2	The management approach and its components	Our People—Talent Attraction and Retention
103-3	Evaluation of the management approach	Our People—Talent Attraction and Retention
401-1	New employee hires and employee turnover	Our People—Talent Attraction and Retention – Onboarding / ESG Performance Data

Disclosure	Description	Reference Location / Response
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Our Environment—Employee Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Our Environment—Employee Health and Safety
403-6	Promotion of worker health	Our People—Employee Well-Being
403-9	Work-related injuries	Our Environment—Employee Health and safety / ESG Performance Data
GRI 404: Training and Education 2016		
103-1	Explanation of the material topic and its Boundary	Our People—Employee Engagement and Development / Boundary—internal, all global operations
103-2	The management approach and its components	Our People—Employee Engagement and Development
103-3	Evaluation of the management approach	Our People—Employee Engagement and Development
404-3	Percentage of employees receiving regular performance and career development reviews	Our People—Employee Engagement and Development—Talent Management Processes / ESG Performance Data
GRI 405: Diversity and Inclusion 2016		
103-1	Explanation of the material topic and its Boundary	Our People—Diversity, Equity and Inclusion / Boundary—internal, all global operation
103-2	The management approach and its components	Our People—Diversity, Equity and Inclusion
103-3	Evaluation of the management approach	Our People—Diversity, Equity and Inclusion
405-1	Diversity of governance bodies and employees	Our People—Diversity, Equity and Inclusion / ESG Performance Data, pages 58, 59, 61–63
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	We have no operations or suppliers at significant risk for incidents of forced or compulsory labor.

Disclosure	Description	Reference Location / Response
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Our Communities—Community Involvement
GRI 414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Our Environment—Responsible Supply Chain Management
GRI 418: Customer Privacy		
103-1	Explanation of the material topic and its Boundary	Our Leadership—Data Security and Privacy / Boundary—internal, all global operations
103-2	The management approach and its components	Our Leadership—Data Security and Privacy
103-3	Evaluation of the management approach	Our Leadership—Data Security and Privacy
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2020 and 2021, we did not have any substantiated customer complaints from outside parties or regulatory bodies.

SASB Biotechnology and Pharmaceuticals Index

Topic	Code	Accounting Metric	Location or Direct Answer
Safety of Clinical Trial Participants	HC-BP-210a.1	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	Omission: Metric is not applicable. Charles River does not conduct clinical trials.
Safety of Clinical Trial Participants	HC-BP-210a.2	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	Omission: Metric is not applicable. Charles River does not conduct clinical trials.
Safety of Clinical Trial Participants	HC-BP-210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	Omission: Metric is not applicable. Charles River does not conduct clinical trials.
Access to Medicines	HC-BP-240a.1	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
Access to Medicines	HC-BP-240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
Affordability and Pricing	HC-BP-240b.1	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
Affordability and Pricing	HC-BP-240b.2	Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
Affordability and Pricing	HC-BP-240b.3	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
Drug Safety	HC-BP-250a.1	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
Drug Safety	HC-BP-250a.2	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
Drug Safety	HC-BP-250a.3	Number of recalls issued, total units recalled	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.

Topic	Code	Accounting Metric	Location or Direct Answer
Drug Safety	HC-BP-250a.4	Total amount of product accepted for takeback, reuse, or disposal	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
Drug Safety	HC-BP-250a.5	Total amount of product accepted for takeback, reuse, or disposal	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
Counterfeit Drugs	HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
Counterfeit Drugs	HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
Counterfeit Drugs	HC-BP-260a.3	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
Ethical Marketing	HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
Ethical Marketing	HC-BP-270a.2	Description of code of ethics governing promotion of off-label use of products	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
Employee Recruitment, Development and Retention	HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	Our People—Talent Acquisition
Employee Recruitment, Development and Retention	HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) midlevel managers, (c) professionals, and (d) all others	ESG Performance Data
Supply Chain Management	HC-BP-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third party audit programs for integrity of supply chain and ingredients	Our Leadership—Legal Compliance and Ethics / Code of Business Ethics and Compliance
Business Ethics	HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	CRL is unaware of any current legal proceedings associated with bribery and corruption.
	HC-BP-510a.2	Description of code of ethics governing interactions with health care professionals	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
Activity Metric	HC-BP-000.A	Number of patients treated	Omission: Metric is not applicable. Charles River does not engage directly with patients or doctors, and does not promote, market, sell or prescribe medications.
	HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	Omission: Metric is not applicable. Charles River does not conduct clinical trials.

Charles River ESG Performance Data

Metric	Unit	2018 Baseline	2019	2020	2021	Footnotes
Company Information						
Employees						
Total employees	#	—	17,000	18,400	20,000	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Science professionals with advanced degrees, including Ph.D.s, D.V.M.s and M.D.s	#	—	1,900	2,000	2,000	—
Annual revenue	$ billions	—	$2.62	$2.92	$3.54	—
Number of regulatory approvals for new products	#	—	Worked on 85% of FDA approved drugs	Worked on 81% of FDA approved drugs	Worked on 86% of FDA approved drugs	—
Environmental						
GHG Emissions						
Scope 1 (Direct) Emissions	MT CO_2e	89,731	90,392	88,217	90,858	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Carbon Dioxide (CO_2) emissions	MT CO_2e	—	89,697	87,570	90,129	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Methane (CH_4) emissions	MT CO_2e	—	55	53	55	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Nitrous Oxide (N_2O) emissions	MT CO_2e	—	68	66	68	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.

Metric	Unit	2018 Baseline	2019	2020	2021	Footnotes
HFCs	#	—	572	527	606	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Scope 2 (Energy Indirect) Emissions	MT CO_2e	86,218	48,236	46,106	41,482	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Scope 1 & 2 GHGs	MT CO_2e	175,949	138,628	134,323	132,340	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Scope 1 & 2 GHG Change based on 2018 baseline	%	—	−21.21%	−23.66%	−24.79%	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Scope 3 (Other Indirect) Emissions	MT CO_2e	—	291,030	300,653	343,219	Data is result of both actual and economic model calculations.
Scope 3 GHG Change based on 2019 baseline	%	—	N/A	+3.31%	+17.93%	—
CDP Climate Score	—	C	B	B	A–	CDP score reported in incorrect columns in prior ESG Performance Data Table. In accordance with CDP scoring protocol, updated for score to reflect the year the score was issued.
CDP Supplier Engagement rating	—	C	B	A–	A	—
Energy						
Steam Consumption	MWh	—	207,322	199,140	209,135	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Heating Consumption	MWh	—	288,646	282,086	291,073	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Total Electricity Consumption	MWh	—	264,626	274,614	274,201	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.

Metric	Unit	2018 Baseline	2019	2020	2021	Footnotes
Electricity consumption from renewable sources	MWh	—	94,820	98,416	103,424	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Electricity consumption from nonrenewable sources	MWh	—	169,806	176,197	170,778	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Fuel used—Natural Gas	MWh	—	441,566	434,878	447,601	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Fuel Used—Kerosene	MWh	—	4,385	4,623	5,196	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Fuel used—Gasoline	MWh	—	1,000	958	1,215	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Fuel used—Diesel	MWh	—	12,968	11,627	11,971	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Fuel used—Propane	MWh	—	23,894	20,975	20,778	Historical data for 2018–2020 updated to reflect both divested sites and sites acquired through acquisition.
Fuel Used—Biomass	MWh	—	30	335	840	—
Environmental Management						
EHS&S-related notices of noncompliance	#	—	6	3	6	—
Environmental Fines	#	—	0	0	0	—
Environmental Fines (amount)	$	—	$0	$0	$0	—
Spills						
Total spills resulting in release	#	—	0	0	0	—
Amount of spills resulting in release	BOE	—	0	0	0	—

Metric	Unit	2018 Baseline	2019	2020	2021	Footnotes
Social						
Community Impact						
Total Investments	$	—	$1,052,880	$4,950,212	—	Data based on IRS Federal Returns—what is claimed as a charitable contribution on line 19. Total donations for 2020 reflect $2M in local community donations, in response to the COVID-19 pandemic. The 2021 final donation amount will be based on IRS Federal Returns filed late 2022.
Total VTO hours	#	—	24,232	9,563	13,126	Total VTO hours include One Day and Global Day of Service. Total VTO hours include One Day and Acts of Caregiving in 2020 and 2021. In response to the COVID-19 pandemic, Charles River's annual Global Day of Service was canceled in 2020 and 2021, and the scope of VTO expanded to include 'Acts of Care'. Employees, through 'Acts of Caregiving', could utilize VTO in support of the caregiving of another.
Employee Participation in VTO	#	—	5,892	1,161	1,829	—
Employee Participation in VTO	%	—	40%	7%	10%	Based on employee headcounts as of December 31st. Headcounts do not include Insourcing Solutions employees for 2018, Insourcing Solutions or Citoxlab employees for 2019, and Insourcing Solutions employees for 2020 or 2021.
Global Day of Service—Impact	#	—	1.2M meals 258 prosthetic hands 210 birthday boxes 5 bikes 2,000 chemo care kits 400 heart pillows 2,050 hygiene kits	N/A	N/A	Meals packaged in partnership with Rise Against Hunger for 2018 and 2019. Global Day of Service canceled in 2020 and 2021 due to the COVID-19 pandemic.

Metric	Unit	2018 Baseline	2019	2020	2021	Footnotes
Employee Diversity						
Men in Workforce	%	—	41.7%	41.28%	40.48%	All roles globally
Women in Workforce	%	—	58.3%	58.70%	59.51%	All roles globally
Minorities in Workforce	%	—	23.9%	25.8%	29.09%	U.S. only: Minority definition: where ethnic group is not white.
Asian	%	—	—	—	7.17%	U.S. only
Black/African American	%	—	—	—	8.29%	U.S. only
Hispanic/Latino	%	—	—	—	11.08%	U.S. only
Two or more races	%	—	—	—	2.05%	U.S. only
White	%	—	—	—	70.61%	U.S. only
American Indian/Alaskan Native	%	—	—	—	0.23%	U.S. only
Native Hawaiian or other Pacific Islander	%	—	—	—	0.28%	U.S. only
Do not wish to disclose	%	—	—	—	0.30%	U.S. only
Executive Leadership						
Female	%	—	30.5%	32.8%	34.78%	Defined as VP+
Minority	%	—	4.5%	10.3%	11.11%	Defined as VP+ (U.S. only); Minority definition: where ethnic group is not white.
Managers						
Female	%	—	49.0%	49.2%	51.28%	Defined as manager, excludes executive leadership
Minority	%	—	14.3%	24.2%	18.90%	U.S. only: Minority definition: where ethnic group is not white.

Metric	Unit	2018 Baseline	2019	2020	2021	Footnotes
Part-time Employees	#	—	1,082	1,371	1,316	Part-time definition: working <40 hours per week, country-specific.
Temporary Employees	#	—	1,572	2,016	2,393	Temporary definition: employment contract has an explicit expiration date. Includes both temporary employees and contingent workers.
Employee Attraction						
Hires By Region						
United States	#	—	2,079	1,604	2,929	—
Asia	#	—	217	204	289	—
Europe	#	—	887	647	1514	—
Other	#	—	440	411	581	—
Total Employee Hires	#	—	3,623	3,672	5,313	—
Hires by Gender						
Female	#	—	2,177	2,663	3,210	—
Male	#	—	1,445	1,408	2,101	—
Hires by Age Group						
Under 30	#	—	2,032	2,148	2,904	—
30–50	#	—	1,326	1,307	2,009	—
50+	#	—	265	216	390	—

Metric	Unit	2018 Baseline	2019	2020	2021	Footnotes
Employee Development and Retention						
Employee recognition e-cards sent	#	—	12,000	16,650	18,118	—
Total completed courses	#	—	283,856	249,445	291,959	Completed training (e.g., classroom, lab-based, e-learning), including legal compliance courses, as captured through our primary Learning Management systems.
Average number of completed courses per employee	#	—	17	14	15	The implementation of talentHUB Learning starting in 2021 is part of a multi-year strategy to centralize, capture, and further integrate learning for our employees in the coming years.
Percentage of employees receiving regular performance reviews	%	—	91%	89%	93%	Baseline from 2019.
Employee Engagement Survey—employee participation	%	—	85%	—	62%	2020 reflected a pivot to a new Listening Strategy, launched in 2021, with three Employee Pulse Surveys throughout the year.
Employee Retention						
Voluntary turnover rate (a) executives/senior managers, (b) midlevel managers, (c) professionals, and (d) all others	#	—	(a) 3.3% (b) 4.6% (c) 8.6% (d) 13.9%	(a) 7.1% (b) 4.4% (c) 7.3% (d) 12.7%	(a) 3.10% (b) 7.6% (c) 11.6% (d) 19.6%	—
Involuntary turnover rate (a) executives/senior managers, (b) midlevel managers, (c) professionals, and (d) all others	#	—	(a) 3.3% (b) 2.0% (c) 2.8% (d) 4.3%	(a) 4.7% (b) 2.6% (c) 4.2% (d) 5.0%	(a) 6.1% (b) 3.5% (c) 7.4% (d) 5.5%	—

Metric	Unit	2018 Baseline	2019	2020	2021	Footnotes
Total Turnover (Rate)	%	—	14.20%	14.00%	21.14%	—
Turnover by gender						
Female (Rate)	%	—	14.10%	14.10%	20.69%	—
Male (Rate)	%	—	13.80%	13.90%	21.97%	—
Turnover by age group						
Under 30 (Rate)	%	—	22.90%	22.50%	31.37%	—
30–50 (Rate)	%	—	10.20%	10.70%	17.00%	—
50+ (Rate)	%	—	13.00%	11.10%	16.25%	—
Worker Safety						
Main types of work-related injury	Ergonomics, animal bites, and scratches.	—	—	—	—	—
Fatalities from work-related injury—Employees	#	—	0	0	0	—
Fatalities from work-related injury—Contractors	#	—	0	0	0	—
Lost Time Incident Rate—Employees	Rate	—	2.78	2.04	2.29	—
Total Recordable Incident Rate—Employees	Rate	4.97	5.33	3.94	4.01	—
Suppliers: Small and Diverse Spend						
Small Business	$	—	—	—	$136,678,390	U.S. only. Some suppliers may be classified in one or more area.
Veteran	$	—	—	—	$1,707,279	U.S. only. Some suppliers may be classified in one or more area.

Metric	Unit	2018 Baseline	2019	2020	2021	Footnotes
Women Owned Business	$	—	—	—	$10,240,400	U.S. only. Some suppliers may be classified in one or more area.
Minority	$	—	—	—	$1,133,657	U.S. only. Some suppliers may be classified in one or more area.
Small Disadvantaged Business	$	—	—	—	$6,205,800	U.S. only. Some suppliers may be classified in one or more area.
Disadvantaged Business	$	—	—	—	$538,674	U.S. only. Some suppliers may be classified in one or more area.
HUB Zone	$	—	—	—	$193,210	U.S. only. Some suppliers may be classified in one or more area.
Veteran Disabled Business	$	—	—	—	$160,362	U.S. only. Some suppliers may be classified in one or more area.
Animal Welfare						
Facilities subject to national and international certification	%	—	95%	95%	95%	CRL sites accredited according to national and/or international guidelines or accreditation standards.
Governance						
Board						
Number of Board members	#	—	11	12	11	Steven Chubb retired from the BOD in May 2021.
Board members—Independent	%	—	91.0%	92.0%	82.0%	Dr. Mackay does not qualify as an independent director as a result of his serving as an executive officer of a CRL client.
Board members—Female	%	—	18.0%	25.0%	27.0%	Two additions to the Board of Directors in 2020 increased female Board representation to 25% and minority Board representation to 8% (based on 12 directors at that time).

Metric	Unit	2018 Baseline	2019	2020	2021	Footnotes
Board members—Minority	%	—	0%	8.0%	9.0%	Two additions to the Board of Directors in 2020 increased female Board representation to 25% and minority Board representation to 8% (based on 12 directors at that time).
Board members—Under 30	%	—	0%	0%	0%	—
Board members—30–50	%	—	0%	0%	0%	—
Board members—50+	%	—	100.0%	100.0%	100.0%	—
Directors Attending 75% or More of Board Meetings and Committee Meetings	%	—	100.0%	100.0%	100.0%	—
Ethics and Responsible Business						
Inquiries received through ethics reporting channels	#	—	59	47	36	Based on reports submitted through the Charles River Helpline.
Monetary loss from legal proceedings associated with corruption and bribery	$	—	$0	$0	$0	CRL is unaware of any current legal proceedings associated with bribery and corruption.
Monetary losses as a result of legal proceedings associated with false marketing claims	$	—	$0	$0	$0	—
Total base salaries for Executives named in Proxy Statement	$	—	$3,444,358	$3,355,311	$3,495,894	Base salaries data taken from Annual Base Salary tables included in the Proxy Statements for the corresponding fiscal year.

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