The SUSTAINABILITY Code

Declaration of conformity 2023

BRAIN Biotech AG

Indicator set	GRI SRS
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Indicator set

The declaration was drawn up in accordance with the following reporting standards:	GRI SRS

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General

General Information

Describe your business model (including type of company, products / services)

BRAIN Biotech AG is a leading European specialist in industrial biotechnology. The business model is based on the identification, development and utilization of biological knowledge and natural resources for various applications in the fields of health, nutrition, chemistry and the environment. With these bio-based solutions, BRAIN seeks to contribute to a more sustainable economy. BRAIN Holding, based in Zwingenberg (Germany) is the mother company of the BRAIN Group.

The company pursues an approach known as the "bioeconomy." This means that it uses biological resources, such as microorganisms, enzymes and other biological components, to develop innovative solutions for a wide range of industries. BRAIN Biotech AG works with partners from various industries to develop tailored solutions for their specific needs. This may involve the development of new enzymes for industrial processes, the production of ingredients for food and cosmetics, or the discovery of new active ingredients for the pharmaceutical industry.

The business of the BRAIN Group is formed by three pillars: (1) the BioScience, (2) the BioProducts and (3) BioIncubator segment. BioScience comprises contract research for renowned industrial partners The BioScience segment is mainly served by the Zwingenberg site in Germany. In the BioIndustrial segment, the company focuses on the specialty business in the production and refinement of enzymes, microorganisms and bioactive natural products and the corresponding distribution. This is covered by five additional proprietary production sites in continental Europe, the UK and the USA. These production sites, together with the associated biotechnological production know-how, complete the value chain within the Group. The BioIncubator segment marks the development of our own highly innovative products. In the incubator, we develop breakthrough products and services with high economic potential and a positive impact on the environment.

The BRAIN Group maintains its own diverse collection of natural resources: the BRAIN Bioarchive comprises microorganisms, genetic material and natural substances. Based on this collection and with a comprehensive technology portfolio, BRAIN takes on technological challenges and develops biobased products and solutions that are already being successfully used in industry.

In summary, BRAIN Biotech AG generates revenues through various business

activities, including:1.
research and development services for industry partners.
2. licensing of developed technologies, enzymes or active ingredients.
3. sale of products resulting from the company's own research findings, such as enzymes for industrial applications or ingredients for food and cosmetics.

Additional remarks:

BRAINimpact Today we directly address at least five of the UN Sustainability Development Goals by our products and services. We really can make a difference with solutions for the SDGs 2, 3, 6, 9 and 12. Most of our impact services and products are developed within our incubator pipeline. In our incubator we currently have eleven programs at different stages of maturity. All of them address big societal topics in the areas of nutrition, health and environment. By this our products and services directly contribute to a more sustainable lifestyle, better health, the preservation of primary resources and, with our genome engineering platform, offer a basis technology also applicable to the important biologization of industrial processes.

CRITERIA 1–10: SUSTAINABILITY POLICY

Criteria 1–4 concerning STRATEGY

1. Strategic Analysis and Action

The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.

Sustainability and impact strategy

At BRAIN, we pursue a sustainability strategy based on the three pillars of sustainability: (1) Ecology, (2) Economy and (3) Social. We believe that no pillar will work without the other. As a listed company, we are, of also significantly concerned with best practice governance, which is why corporate governance (G) is important in addition to the topics mentioned above.

In fiscal year 2021/22, we prepared our inaugural Sustainability Report containing an initial materiality analysis (https://www.brain-biotech.com/investors/esg, p.6). Our current strategy is in line with the materiality assessment and the targets from this report. However, as a listed company we are obliged to report in addition according to CSRD from the 2025/26 financial year published in 2026. This therefore will lead us to conduct an additional double materiality assessment according to ESRS 1 & 2. Since the materiality assessment is currently being carried out, we will refer to our strategy and goals from 2022 in this year reporting. The updated targets from the double materiality analysis will therefore been published next year.

After careful analysis and discussion with our stakeholders, we decided in 2022 to base our sustainability reporting on ESG Plus. In addition to environmental, social and governance issues, we also consider economic and impact goals in our strategy for responsible Group management, combining ESG and the general pillars of sustainability as mentioned at the beginning. Solid economic performance forms the basis for achieving our other objectives. Our BRAINimpact products and services will have a real positive impact for our B2B customers, for consumers and for patients. Our sustainability and impact strategy is therefore based on four strategic pillars for long-term value creation:

(E) Natural resource protection strategy (Ecology)
(S) Healthy and satisfied life for our employees and people in the supply chain

(Social)
(G) Efficient corporate management (Governance)
(+) Long-term economic performance through profitable economic growth (Economy)

Our ESG Plus goals form an integral part of our corporate strategy, planning and risk assessment. Our ESG objectives aim to reduce the environmental footprint of our operations, thereby reducing long-term energy usage and costs through the use of more efficient technologies, and to be a company that acts fairly, protects its employees and thus also further enhances its reputation and employer attractiveness.

Standards and norms used in the company

We develop products and services that change the way industry produces. Our natural and sustainable bio-based processes are accelerating the economic shift towards a circular economy. Our current products and solutions are already directly addressing at least five UN Sustainable Development Goals.

SDG 2, Zero Hunger: alternative protein sources; natural compounds for food preservation; enzymes for more efficient and natural industrial food processing.

SDG 3, Good health and well-being: natural sugar substitutes; salt substitutes and salt flavor enhancers; natural flavors, bioactive plant cosmetics; treatment of chronic wounds; deucrictibant as an active pharmaceutical ingredient for the treatment of hereditary angioedema (HAE)

SDG 6, Clean water and sanitation: green mining solutions to replace chemical hazards, enzymes for waste water treatment

SDG 9, Industry, innovation & infrastructure: enzymes as natural catalysts; biotech production, improving production efficiency to conserve resources; fermented foods from side streams; microbial CO_2 utilization

SDG 12, Responsible Consumption & Production: green and urban microbial mining (bio-based recycling)

As part of our business and environmental initiatives, we also address the following SDGs:

SDG 4, Quality Education: Training of apprentices and students; lifelong learning is an important aspect in a knowledge-based company like BRAIN, for which regular meetings are offered on a scientific basis as well as for management soft skills

SDG 8, Decent Work and Economic Growth: Growth and profitability form the basis for ESG Plus. Our growth ambitions also take into account the health and safety of our employees and people in the supply chain

SDG 13, Climate action: ESG environmental goals aim to reduce our environmental footprint, conserve primary resources and avoid unnecessary pollution.

Furthermore, we did set up processes in 22/23 to operate in accordance with the internationally recognized DIN ISO 9001 standard in our day-to-day business. Although we are not officially ISO 9001 certified, we did significantly standardize our processes for improved quality. In addition, should our customers require certification we aim to obtain certification quickly, as our processes are already following this standard.

In our current sustainability reporting, we adhere to common EMAS or GRI standards. With the fiscal year 25/26 we will incorporate CSRD and European Sustainability Reporting Standards (ESRS).

2. Materiality

The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.

A materiality analysis with the impact of our business activities on sustainable development was published in our first sustainability report in 2022. As listed company with more than 250 employees, more than € 50M net turnover and more than € 25M total assets, the BRAIN group is obliged to report according to CSRD from the 2025/26 financial year published in 2026. Therefore, we are just about to carry out an updated double materiality assessment with the target to finish until end of 2024. The results of this assessment will therefore be presented in 2025 report.

Currently, we further focus on the targets out of the 2022 materiality analysis (https://www.brain-biotech.com/investors/esg, p.6):

Impact on the environment:

BRAIN Biotech AG is a leading European specialist in industrial biotechnology with a focus on nutrition, health and the environment. As a technology and solutions provider, the company supports the biologization of industries with bio-based products and processes - from contract research with industrial partners to the development of its own disruptive incubator projects and customized enzyme products. Enzymes, for example, can be used to replace toxic and complex chemical syntheses. Proteins can be synthesized as a substitute for food of animal origin, with the help of microorganisms. In this

way, we support companies that promote sustainable nutrition.

A stable economic situation:

To strive for continuous improvement in our sustainable business activities, we must start from a solid economic basis. Therefore, increasing revenues, a higher EBITDA margin and a positive cash flow are part of our journey to becoming a responsible company. To this end, BRAIN in 2021 has already set ambitious medium-term targets in to double our revenues and achieve an average EBITDA margin of 15%. In fiscal year 21/22 it was already possible to increase BRAIN group total operating performance about 30% to € 53.1 million and in 22/23 even more to € 57.14 million euros, (7% growth). This stable business situation enabled us to:

- secure and grow employment
- fund our pioneering incubator projects with a strong sustainability contribution: #BRAINimpact
- fund our corporate growth and future incubator projects
- create sustainable value for our community and shareholders

Impacts of our corporate activities on social sectors:

In addition to the material economic and environmental issues we have identified, our ESG analysis has led to the following material issues that are of great importance to our stakeholders and on which our business has a strong impact, or in some cases, a strong impact on our business. These are:

- Strong corporate governance and business ethics
- Occupational health and safety
- Intellectual property (IP) protection
- Talent management
- Supply chain standards
- Product safety

3. Objectives

The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.

Sustainability Goals:
From the result of our materiality and stakeholder analysis we have defined and formulated the following long-term goals in direct reference to the SDGs:

A) Environment:

- By 2032, reduce Scope 1-2 GHG emissions by 30% relative to 2022 baseline
- By 2050, reduce Scope 1-2 GHG emissions to net zero

By reducing GHG emissions and decrease of our company carbon footprint we address th UNGlobal Sustainable Development Goals **SDG 13** (Climate Action) as well as **SDG 12** (Responsible Consumption and Production) and **SDG 9** (Build resilient infrastucture, promote inclusive and sustainable industrialization and foster innovation).
We prioritize this objective in 2023 because we can achieve a major impact even in short term and are attempting to tackle the challenge in two ways: Through proactive energy savings (better utilization and switching off of cooling capacities, replacement of building lighting, resource-saving planning of processes in the laboratories and production) and through the use of renewable energies (photovoltaic plant at Zwingenberg facility) and the use of green electricity (subsidiary at Cardiff).
We have made good progress so far and are confident to be on a good track of achieving our long-term goals.

B) Social:

- By 2032: Proportion of women in leadership positions above 30%
- By 2032: Lost time injury frequency rate (LTIFR) per 1 million hours worked < 3

We believe that employees are a central element of our business and we promote an open and appreciative corporate culture and life-long learning. We address **SDG 4** (Quality Education), **SDG 5** (Gender Equality) and **SDG 8** (Decent Work and Economic Growth) by promoting and prioritizing many activities in this area. With the continuation of our internal "BRAINWay" training program in 2023, we ensure that all employees receive the same training, regardless of the area or subsidiary in which they work. We lay the foundations for talent management and individual development in face-to-face meetings twice a year and document the progress made.
We offer access to a voluntary company medical examination and vaccinations and have set up teams that deal exclusively with occupational safety and risk assessment which refer to **SDG 3** (Good Health and Well-Being) and **SDG 8** (Decent Work and Economic Growth).

C) Corporate governance:

- By 2032: No fines due to violations of regulations and operational procedures
- Continued, significant increase in BioScience royalty income as a percentage of sales

By fully complying with all regulatory requirements and own values we support **SDG 16** (Peace, Justice, Building Accountable Institutions) and **SDG 8** (Decent Work and Economic Growth).

D) Economy (impact products & services):

- By 2032, successful launch of impact products and services from current incubator

- By 2050, launch of additional impact products from the incubator

We prioritize our efforts to increase the share of recurring revenue from royalties and successfully launch our impact products that provide a stable economic base to grow the business and support our ESG goals. Our product innovation and services itself address many of the SDGs as listed in this report under:
"1 Strategic Analysis and Acion".

Also our goals are listed in more detail under:
https://www.brain-biotech.com/content/files/financial_publications/2021-22/BRAIN_Biotech_Sustainability_Report_2022.pdf **(page 8 and 9)**

Monitoring/control of sustainability goals:

A. Control by the supervisory board:

The CFO of BRAIN Biotech AG, Michael Schneiders, is responsible at the Executive Board level for the overall implementation of our sustainability strategy. The full Supervisory Board advises and monitors ESG implementation in the business as well as strategic planning. Non-financial KPIs that include sustainability targets are part of the variable compensation of executives. As such, the general compensation system is approved by the Annual General Meeting, monitored by the Supervisory Board and disclosed in the Annual Report. In addition, we will publish regular updates on our first sustainability report and an annual UN Global Compact COP. _

B. Control by auditors (CSRD reporting requirement from 2025/26):

According to the new CSRD guideline, BRAIN Biotech AG with revenues > € 50 million, total assets >€ 25 million and more than 250 employees will be subject to non-financial CSRD reporting starting in fiscal year 2025/26. This data will be monitored in accordance with the current regulation by external auditors.

4. Depth of the Value Chain

The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.

The BRAIN Group offers many different products and services, ranging from contract research services and its own development incubator for impact products to end products such as enzymes. These products and services are generated within our different entities with their individual supply and value chains. Therefore, the BRAIN group consists of the R&D sites (#BioScience) in Zwingenberg and Potsdam and the manufacturing sites (#BioProducts) in Cardiff (UK), Nieuwkuijk (Netherlands), Büttelborn (GER) and Tampa (US) incorporated all under Biocatalysts.

In #BioScience we purchase laboratory materials and sell scientific services as well as solutions to our customers. Here, supply chain management only directly impacts BRAIN. Wherever possible, we try to use products with multiple uses and bundle purchases to reduce logistical impacts. We have introduced an efficient new warehousing system to minimize waste.

In #BioProducts, we formulate, mix, blend and ferment enzyme formulations on a larger scale. Here, the products we supply also become components of our customers' supply chain. Wherever possible and permitted by law, delivery is made in reusable containers. So far, with respect to our supply chain, we are only aware of our Tier 1 suppliers. The extended materiality assessment will show, if supply chain is a topic with extended materiality to us. So far, BRAIN Group's material sourcing is mainly focused on highly developed markets and established market players. We constantly strive to achieve higher productivities in our production processes in order to produce the same amounts for the benefit of our customers with less primary resource input.

We strive to build sustainable and stable relationships with our suppliers. We give preference to partners and suppliers with high environmental and social standards of their own.

Information about specific supplier violations is reported directly and investigated. If confirmed, an action plan is created to mitigate the issues or seek alternative sources.

Most purchasing decisions are made at the level of the individual operating units, but the intention is to increasingly centralize purchasing, particularly in the #BioProducts segment. This will not only unify standards, but also increasingly allow economies of scale to be exploited. A central supply chain manager function has already been established.

Almost 90% of the BRAIN Group's products are purchased in the EU, UK, the USA and other industrialized countries with high labor and social standards. Most of this comes from large or multinational suppliers. Only about 10% of the products we source come from emerging markets (mainly China), and the relative share of these purchases has decreased in recent years.

Our largest manufacturing site, Biocatalysts, UK, uses a standardized Supplier Approval Questionnaire (SAQ) for all its suppliers. In addition, Biocatalyst, UK enforces supplier risk assessment, approval and monitoring procedures. These procedures are now rolled out for the entire #BioProducts segment.

Criteria 5–10 concerning PROCESS MANAGEMENT

5. Responsibility

Accountability within the company's management with regard to sustainability is disclosed.

ESG/Sustainability Task Force

We have formed a group-wide ESG/Sustainability Task Force consisting of employees across different functions and representing all group company members. Furthermore, we set up a core team of about 8 people to work on our double materiality assessment. This core team consists of managers from the board, ESG, quality, human resources, production and supply chain. The overall ESG and sustainability strategy is led by the CFO, Michael Schneiders.

Non-financial KPIs build part of the variable executive compensation.

Non-financial targets including our ESG targets and the milestones on the way to reach these targets are built into the revised executive board renumeration system, which was approved by the shareholders at the Annual General Meeting (AGM) in March 2023.

Further Details: Incentive Systems (point 8).

6. Rules and Processes

The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.

1.) As a biotechnology company, our products are used as alternative protein sources, natural compounds for food preservation, enzymes for more efficient and more natural industrial food processing. Furthermore, we develop compounds for natural sugar replacement, salt replacement and salt taste enhancers, natural aromas, or natural products as pharmaceuticals for instance for chronical wound treatment. Therefore, it is a particular task for the group to make our own operations as sustainable as possible. Within the BRAIN Group, we therefore work with the following norms and standards regarding sustainable production and corporate governance, which are listed below:

- ISO 9001
- ISO 14001

- ISO 45001
- FSSC 22000
- ISO 22716:2007
- SMETA (4 pillar)

2.) In the future, we need to comply with the European Corporate Sustainability Reporting Directive (CSRD) since we have more than 250 employees, more than €50 million in net turnover and more than €25 million in total assets. Therefore, we will perform an extended double materiality assessment by the end of 2024.

7. Control

The company states how and what performance indicators related to sustainability are used in its regular internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.

Due to the upcoming CSRD reporting requirements from fiscal year 2025/2026, our future non-financial reporting will be subject to external monitoring and audit. We are already preparing ourselves for these requirements with assistance of external consultants and by the usage of a specialized ESG software tool. So far, we have chosen the following KPIs to measure and monitor our sustainability targets:

1) Realized decarbonization effects until 2032
2) Employee satisfaction and retention
3) Share of women in defined management positions
4) Lost time injury frequency rate (LTIFR) per 1 Million hours worked
5) Fines for compliance & operational breaches
6) Share of License & royalty income

Non-financial KPIs, including sustainability targets, form part of the variable executive compensation and long-term incentive plans. As such, the general compensation system is approved by the annual general meeting, monitored by the supervisory board and reported within the annual report. In addition, we publish annual updates of our ESG data sheet on our website and an annual UN Global Compact COP.

Our supervisory board advises and monitors our sustainability processes as part of the business and strategic planning.

Key Performance Indicators to criteria 5 to 7

Key Performance Indicator GRI SRS-102-16: Values
The reporting organization shall report the following information:

a. A description of the organization's values, principles, standards, and norms of behavior.

The entire BRAIN Group subscribes to the following values:

- Collaboration
- Safety
- Accountability
- Creativity & Innovation
- Integrity & Respect
- Sustainability

Our values are part of our corporate codex, which is enforced by the supervisory board, our executive management, the operational management team and compliance. The BRAIN sustainability report builds an integral supplement, which dives deeply in our five key focal points for long-term value creation:

1. Profitable top-line growth to support and sustain our operations
2. Successfully launching our Impact Products & Services, targeting 5 SDGs directly
3. Minimizing the ecological footprint of our organization
4. Strong social performance (occupational health & safety, employee development, encouraging women in management)
5. Efficient corporate governance

8. Incentive Systems

The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).

Non-financial targets including our ESG targets and the milestones on the way to reach these targets are built into the revised executive board renumeration system, which we got approved by our shareholders at Annual General Meeting (AGM) in March 2023.

In 2023, with the resolution of TOP7 (Resolution on the approval of the remuneration system for the members of the Management Board), the performance-based, variable remuneration was restructured, among other things, with regard to both the short-term, one-year variable remuneration (Short Term Award, STI) and the long-term, multi-year variable remuneration (Long Term Award, LTI). In order to determine the non-financial and ESG targets, the Supervisory Board has taken into account BRAIN's ambitious medium-term sustainability targets, which are defined in the respective applicable ESG+ roadmap. In this respect, the Supervisory Board has and continuously will set the non-financial targets in coordination with the annual planning of the Management Board in such a way that they are as quantifiable as possible and thus objectively measurable to reach our stated 2032 and 2050 sustainability goals.

Detailed information on the compensation system can be found at:

https://www.brain-biotech.com/content/files/annual_general_meeting/2021-22/System-zur-Verguetung-der-Vorstandsmitglieder-zu-TOP-7_DE.pdf

Key Performance Indicators to criteria 8

Key Performance Indicator GRI SRS-102-35: Renumeration policies
The reporting organization shall report the following information:

a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration:
i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;
ii. Sign-on bonuses or recruitment incentive payments;
iii. Termination payments;
iv. Clawbacks;
v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.

b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.

a.+b. The detailed compensation report for BRAIN's executive management and supervisory board is published annually at:

https://www.brain-biotech.com/content/files/corporate_governance/Verguetungsbericht-BRAIN-Biotech-AG_22_23.pdf .

Key Performance Indicator GRI SRS-102-38: Annual total compensation ratio
The reporting organization shall report the following information:

a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

The BRAIN group tries to balance industry level and fair compensation with its ambition to stay competitive on the level of personnel costs.

The ratio of average monthly compensation in the AG for executive board members was compared after GRI Standard 102-38 to the median of the total annual compensation of all employees (excluding the members of the executive board). Therefore, the factors were calculated for the following compensation of the executive board: (A) average of annual fixed compensation, (B) average of the annual compensation (inclusive short term boni) and (C) average of the annual compensation (inclusive long-term boni +stock options).

A	Ratio of the total annual compensation of the Executive Board to the median of the total annual compensation of all employees (excluding the highest paid individual) in the same organization		FY 20/21	FY21/22	FY22/23
	Average annual **fixed** Compensation of the Executive Board		353,000.00	365,500.00	368,500.00
	Average annual compensation of all employees		57,257.40	55,993.00	60,175.22
	Factor		6.17	6.53	6.12
B	Ratio of the total annual compensation (incl. short term bonus) of the Executive Board to the median of the total annual compensation of all employees (excluding the highest paid individual) in the same organization				
	Average annual **compensation (inclusive short term bonus)** of the Executive Board		419,500.00	498,500.00	700,500.00
	Average annual compensation of all employees		57,257.40	55,993.00	60,175.22
	Factor		7.33	8.90	11.64
C	Ratio of the total annual compensation (incl. all boni + stock options) of the Executive Board to the median of the total annual compensation of all employees (excluding the highest paid individual) in the same organization				
	Average annual **compensation (inclusive all boni + stock options)** of the Executive Board		739,500.00	714,500.00	864,500.00
	Average annual compensation of all employees		57,257.40	55,993.00	60,175.22
	Factor		12.92	12.76	14.37
	Additional explanatory data:				
	Average monthly compensation Executive Board without boni		29,416.67	30,458.33	30,708.33
	Average short-term boni per FY (Executive Board)		66,500.00	133,000.00	332,000.00
	Average long-termn boni (including stock options) per FY (Executive Board)		386,500.00	349,000.00	496,000.00
	Average monthly compensation employees		4,771.45	4,666.08	5,014.60

9. Stakeholder Engagement

The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.

Identifying our key stakeholders is a major topic within our current materiality analysis. We have conducted an internal analysis and cross referenced it with our equity analysts analyzing which stakeholders have at the same time a high interest in BRAIN and can exercise high influence on the company.

We have identified employees, customers and shareholders as our most important stakeholders.

Employees

Many of our employees are scientists and contribute daily to a more sustainable economy by the products and services they develop. BRAIN has been founded on the faith that the biologization of industrial processes and the creation of a circular economy are prerequisites for sustainable living. Our employees develop biotechnology as the primary tool to achieve these targets. In addition, several employees from the scientific team identify material processes in the lab with respect to primary resource reduction, efficiency or recycling possibilities. Therefore, we created a sustainability project team in #BioScience.

Customers

We enable many of our customers to create more sustainable processes and products. With our scientific services and largely enzyme-based products we replace chemical processes (often using heavy-metal based catalysts, high energy input) and contribute to more sustainable customer products with a focus on health, nutrition and environment. As we are part of the extended supply chain of most of our customers, we are also trying to meet the specific criteria of our customers sustainability guidelines.

Shareholders

The equity market has been the main source of financing for BRAIN since the IPO in 2016. Many of our shareholders already share our vision of a more sustainable economy. We are in a constant dialogue with our main shareholders and by publishing our annual ESG factsheet and the public DNK report, we are providing ESG and Impact investors with the relevant information. We hold dedicated ESG meetings at investor conferences.

Key Performance Indicators to criteria 9

Key Performance Indicator GRI SRS-102-44: Key topics and concerns
The reporting organization shall report the following information:

a. Key topics and concerns that have been raised through stakeholder engagement, including:
i. how the organization has responded to those key topics and concerns, including through its reporting;
ii. the stakeholder groups that raised each of the key topics and concerns.

Our main stakeholders are customers, employees and shareholders. Within our current materiality analysis (we have analyzed the most material topics for our main stakeholders:

1. Secure & grow employment
2. Successfully launch our impact products
3. Strong corporate governance & business ethics
4. Workplace health & safety
5. IP Protection
6. Talent management
7. Supply chain management
8. Product safety

We are in constant dialogue with our main stakeholder groups:

- **Employees:** open door policy, townhall meetings, annual employee survey, performance and talent management assessment
- **Customers:** Business developers, sales force and management; questionnaires
- **Shareholders:** IR department and executive management team, webpage and social media activities

The topics within our materiality analysis are all addressed in detail within our inaugural ESG & Sustainability Report 2022. https://www.brain-biotech.com/investors/esg

The company is constantly working on the identified material topics.

As talent management is a major topic for our employees, in 2023 we continued our company-wide 2-day workshop and introduced a second modul (BRAIN Way II) to consolidate the content on project management, communication and strategy. Furthermore, our talents get the chance to study part-time while working at BRAIN (supported financially and with flexible working times) and external students gain insights into the company on career orientation days. We have established a stable exchange with several schools in the area of our Site at Zwingenberg (GER). In addition, we created internships

for technical college students in 2023 and are training apprentices in three different education areas.

The company strives to increased internationalization. Therefore, the official company language has been changed to English and voluntary employee relocation has been enabled for short- and long-term stays. English language courses are offered to German employees as a support for meetings and discussions and vice versa, German language courses are offered to non-native speakers in German company locations.

For shareholders, the launch of our impact products, IP protection and growth are major topics. Therefore, we can proudly say, that our spin-off in founding Akribion Genomics is developing groundbreaking CRISPR-Cas technologies, which are very promising for various therapeutic approaches. Akribion Genomics received the patent approval for its proprietary nuclease G-dase E® and won the Hessian Founder Award for its innovative approach to a new cancer therapy. Furthermore, BRAIN is following its growth strategy, showing an increase of the group´s consolidated revenue to € 55.3 million in the 2022/23 financial year. Compared with the previous year, this represents growth of 11.8 %.

For IP protection we have one responsible person at our headquarter in Zwingenberg supervising regulation and jointly working together with the different project teams. Furthermore, each company has a health and safety manager, offering regular courses on laboratory and workplace safety, which are mandatory for all employees. They also take care of regular visits by medical doctors, who are available to all employees during their working hours.

For our site in Zwingenberg the employee survey revealed that the working environment was not always conducive to concentrated work and that there was a lack of meeting rooms for short-term meetings.
In 2023 we have developed a new workplace concept that better reflects zones for concentrated and collaborative work. The installation of soundproofing elements and the creation of new meeting rooms with a state of the art digital booking system provided further relief. The purchase of new high class ergonomic office chairs and sustainable adaptation of seating conditions in the laboratory also led to a significant improvement in employee satisfaction and contributes to maintaining health.

10. Innovation and Product Management

The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.

For internal innovation all of our employees are aware of the vision, mission and strategy of the company and are actively involved in discussions, keen on finding solutions and raising ideas. We formed interdisciplinary ring teams working together on our sustainability goals across all locations. They also identify topics where innovation is needed or where improvement in terms of sustainability and economy is possible (e.g. waste management, room management, saving electricity, digital laboratory journal, food supply). We are checking implementation constantly and work on these topics.
To make a major impact globally, our research pipeline and our product innovations are targeted to improve life on the aspects of nutrition, health and environment. With our products, we enable our industrial partners to produce bioeconomically to save resources or to integrate waste streams into a circular economy.

How our innovation processes drive a sustainable economy
Enzymes will play a key role on the way to more sustainable industrial processes and production. At BRAIN, we see it as our task to take the evolution of enzymes in nature as a starting point and adapt them for industrial purposes. Enzymes are proteins produced by all living organisms for their metabolic processes, for example for respiration or for the breakdown of fatty acids. The greatest advantage of these enzymatically acting proteins is that they represent organic material derived from renewable sources and are therefore biodegradable. In addition, due to these properties a lot of energy and water is saved in all enzyme-based processes, as proteins do not have to be elaborately purified from reaction vessels or containers. Identifying and developing novel enzymes is one of the BRAIN Group´s contribution to our sustainability efforts. Our mission is to use our innovative strengths to develop tailored enzyme solutions that enable our industrial customers to make their processes and products more sustainable. Innovation is key at BRAIN.

Positive Impact Products & Services
How can we as the BRAIN Group contribute to a more sustainable living? Where can we make a real positive impact on society? With our technologies, solutions and products we contribute to more sustainable industrial processes and products. We learn from nature and apply biology to industrial processes. Our main application fields are nutrition, health and the environment. BRAIN Group's business is based on enzymes, microorganisms and bioactive natural compounds. Each of these can help driving the move towards more bio-based

products and processes, but enzymes are by far the most important product within our toolset for a bio-based future.

SDG 2, Zero Hunger: alternative protein sources, natural compounds for food preservation, enzymes for more efficient and more natural industrial food processing.

SDG 3, Good Health & Well-Being: natural sugar replacement, salt replacement and salt taste enhancers, natural aromas, bioactive plant cosmetic, chronical wound treatment and deucrictibant an active pharmaceutical compound to treat hereditary angioedema (HAE)

SDG 6, Clean Water & Sanitation are green mining solutions to replace chemical hazards.

SDG 12, Responsible Consumption & Production: green and urban microbial mining (bio-based recycling); enzymes for efficient food processing and enzymes for reuse of side-/waste streams.

SDG 9, Industry, Innovation & Infrastructure: enzymes as natural catalysts, biotechnological production, improving production efficiencies for resource conservation, fermented food from side-streams, microbial CO_2 usage for chemical building blocks.

For a deeper dive into our Impact Products please review the Impact Chapter of our Sustainability Report at: https://www.brain-biotech.com/content/files/financial_publications/2021-22/BRAIN_Biotech_Sustainability_Report_2022.pdf

Key Performance Indicators to criteria 10

Key Performance Indicator G4-FS11 (report also in accordance with GRI SRS): Percentage of assets subject to positive and negative environmental or social screening. (Note: the indicator should also be reported when reporting to GRI SRS)

BRAIN Biotech AG is an active research and industrial company. We invest all of our financial resources into the development of our own group

G4-FS11 is of no relevance to BRAIN Biotech AG, as we do not invest into external financial assets.

Criteria 11–20: Sustainability Aspects

Criteria 11–13 concerning ENVIRONMENTAL MATTERS

11. Usage of Natural Resources

The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.

The main resources used in the BRAIN group are electricity, natural gas, water and carbon sources as sugars and alcohols used in the fermentation processes. In smaller amounts, the company is using heating oil, diesel fuel, gasoline, liquid nitrogen, refrigerants and specialty gases. These are consumed for production as well as refrigeration and air-conditioning systems, for heating and lighting, for systems generating steam and compressed air, for water treatment and a small vehicle fleet.

Most material to the environment and therefore also to us are electrical energy and primary resources for heating and cooling purposes. We consider water as less relevant as we operate in areas of no water stress and strong wastewater treatment. Our main water consumer is #Biocatalysts UK with more than 70% of our total water withdrawal The water is consumed by several fermenters up to10 m^3 utilized for enzyme production. However, #Biocatalysts UK is neither located in an area with water stress nor it is known for fluctuating water qualities, making this not a material topic to us.

We continuously aim to minimize waste to landfill and hazardous wastes. Our environmental concept is characterized by the fact that we try to minimize the use of natural resources wherever possible, provided this does not impair our central objective of "maximum product and process reliability". Our single largest industrial entity #Biocatalysts UK has a zero waste to landfill policy.

Please have a look on our latest ESG Data Sheet, which shows how much energy, water, natural gas, heating oil and gasoline was exactly consumed in the FY 2022/23:

https://www.brain-biotech.com/content/files/publications/BRAIN_Biotech_Sustainability_Report_Data-sheet_2024_final.pdf
(page 7,8,9,10 and 11)

12. Resource Management

The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.

While many of our industrial products like enzymes or our incubator projects have a clear positive sustainability impact for our customers, we still strive to minimize the ecological footprint of our own operation. Here the most material areas from our operations to focus on are:

- Extension and usage of renewable energy
- Energy reduction
- Reduced travel footprint
- Water management
- Waste management

We aspire to reduce the primary resource consumption of our production, reduce our CO_2 footprint and avoid unnecessary waste to landfill.

Currently, we are performing a double materiality assessment under the EU directive CSRD within the group, to analyze in more detail our financial materiality but also our impact materiality, showing which positive and negative impact our business has on the environment. We aim that the results are available by the end of 2024 and therefore currently stay with our environmental targets of our ESG and Sustainability Report in 2022 (p. 8 and 9), which can be found at:

https://www.brain-biotech.com/content/files/financial_publications/2021-22/BRAIN_Biotech_Sustainability_Report_2022.pdf

The defined targets are to minimize the environmental impact from our operations:

- By 2032, reduce Scope 1-2 GHG emissions by 30% in relation to current revenue base
- By 2050, Scope 1-2 GHG emissions to net zero

Detailed Actions are:

- Switch to regenerative sourcing of primary energy, where possible
- Building renovation and change of cooling/heating design, where possible
- Electrification of processes and transport

The BRAIN Group uses a limited amount of primary resources for its own production and service generation. Most of our products directly contribute to a biological production and, hence, lower primary resource consumptions at our customers. While we aim to further reduce our own ecological footprint by lowering GHG emissions we view ourselves having a net positive contribution. It is still our aim for future ESG reporting to ultimately incorporate a Scope 3 analysis.

As a B2B supplier most of the work within the group does not relate to the production of a final product. So while we can control, who we work with and what materials we use in development, the use case of the final product is in the control of our customer.

We currently see an extremely low risk in the availability of natural resources that we use for our business. This is because we produce our products (enzymes) ourselves by growing the microorganisms that produce them. To grow microorganisms on a large scale, water, energy (electricity, natural gas) and some carbon sources such as sugars or alcohols are needed. We purchase the most chemicals from German or European manufacturers. Water plays a major role, but none of our production sites is located in a water stress area. In the last two years we made a proactive approach to energy reduction by monitoring high energy consumers such as freezers and switching off modules that are not frequently needed. We installed a solar power system at our sites #BioScience, Zwingenberg (GER) and aim to do so at #Biocatalysts UK.

Key Performance Indicators to criteria 11 to 12

Key Performance Indicator GRI SRS-301-1: Materials used
The reporting organization shall report the following information:

a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:
i. non-renewable materials used;
ii. renewable materials used.

a. Total weight of
i. non-renewable materials used for packaging: 55.7 tons
ii. renewable materials used for packaging: 40.5 tons

#Biocatalysts can be mainly seen as B2B manufacturer and supplier. Most of our packaging material is hence of professional nature like special purpose containers, which are employed in a circular way. The non-renewable materials used for packaging are mainly IBC`s (industrial bucket containers), made from HDPE. Those can be re-used for many years.

For shipping of smaller quantities we use almost entirely recycled cardboard or

re-use packaging material.

Key Performance Indicator GRI SRS-302-1: Energy consumption
The reporting organization shall report the following information:

a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.

b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.

c. In joules, watt-hours or multiples, the total:
i. electricity consumption
ii. heating consumption
iii. cooling consumption
iv. steam consumption

d. In joules, watt-hours or multiples, the total:
i. electricity sold
ii. heating sold
iii. cooling sold
iv. steam sold

e. Total energy consumption within the organization, in joules or multiples.

f. Standards, methodologies, assumptions, and/or calculation tools used.

g. Source of the conversion factors used.

a+b. Within the BRAIN-Group we used a total of :

3,552 litre diesel
5,342 litre gasoline and
15,602 kWh electricity for our company cars.

In summary, the company owned 16 cars (7 cars at their Holding in Zwingenberg (gasoline and hybrid), 2 cars at #Biocatalysts Germany (hybrid cars) and 7 cars at #Biocatalysts Netherlands (all fully electric)).

With respect to total energy used for cars, the following calculations were followed:

Diesel (9.7 kWh/Liter) = 9.96 KWh/L * 3552 L = 35,378 kWh
Gasoline (8.5 kWh/Liter) = 9.02 KWh/L * 5342 L = 48,185 kWh
Electricity = 15,602 kWh

This amounts to 99,165 kWh in total resulting in 356,994 MJ in total, using the calculation factor 1 kWh = 3.6 MJ.

c.

	kWh
i. electricity consumption	2,785,986
ii. heating consumption (gas + oil)	2,247,093
iii. cooling consumption	0
iv. steam consumtion	0

d. BRAIN does not sell energy in any form.

e. The total energy consumption of the whole BRAIN group amounts to 5,390,074 kWh.

f. Calculations were done in Excel. All numbers are the sums from all 6 locations of the BRAIN Biotech group. Only the location Zwingenberg is using oil for heating since the building is a heritage building, where the heating system cannot easily be changed.

g. The heating values for diesel and gasoline were taken from the BAFA „Merkblatt zur Ermittlung des Gesamtendenergieverbrauchs" Version 2.2 (2024). Available at:

https://www.bafa.de/SharedDocs/Downloads/DE/Energie/ea_ermittlung_gesamtenergieverbrauch.html

Key Performance Indicator GRI SRS-302-4: Reduction of energy consumption
The reporting organization shall report the following information:

a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.

b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.

c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.

d. Standards, methodologies, assumptions, and/or calculation tools used.

a. We compare energy consumption year on year by an output-weighted methodology. In general, the total energy consumption in 22/23 (5,390,074 kWh) was comparable to the FY 21/22 (5,054,759 kWh), which is a small raise of about 6.6 %. However, the company showed also an increase in their total

operating performance from 53.07 million euros to 57.14 million euros, which is a growth rate of 7.6 %.

b. In the FY 22/23, the planning and construction of solar power systems in our most energy intensive locations were prioritized. At our #BioScience location in Zwingenberg, the construction of a photovoltaic system was finished in March, 2024. The assumptions for this solar power system are the savings of over 20% of the total used energy at this location. This would amount to 140,000 kWh. At #Biocatalysts UK, a photovoltaic system is currently under construction and will also be available soon.

In the FY 21/22 the amount of -80°C, -20°C deep freezers and fridges was reduced significantly, as well as all fluorescent materials were replaced with LED lamps. Car replacements were purchased either fully electric or plug-in hybrid.

As electricity and gas are our main used energy types, we will concentrate on the reduction of those in the future.

Key Performance Indicator GRI SRS-303-3: Water withdrawal
The reporting organization shall report the following information:

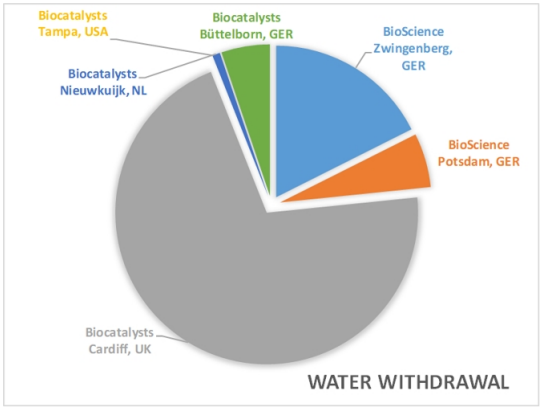
a. Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:
i. Surface water;
ii. Groundwater;
iii. Seawater;
iv. Produced water;
v. Third-party water.

b. Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:
i. Surface water;
ii. Groundwater;
iii. Seawater;
iv. Produced water;
v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.

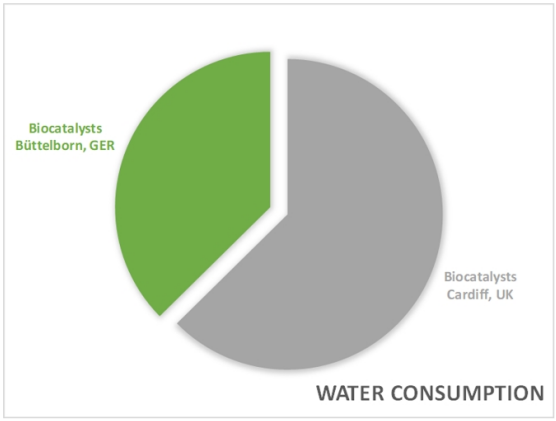
c. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:
i. Freshwater (≤1,000 mg/L Total Dissolved Solids);
ii. Other water (>1,000 mg/L Total Dissolved Solids).

d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

a. The total water withdrawal in the fiscal year 2022/23 amounted to 14.55 ML and the total water consumption to 1.82 mL. We only use surface water in drinking water quality or water, which is provided by municipal water suppliers (third party water). The water withdrawal and consumption rates are comparable to the fiscal year 2021/2022. Highest amounts of water (70 %) are used in our #Biocatalysts UK, where we produce enzymes in several fermenters up to two 10 m^3.



Water	Amount in mega liters
Total water withdrawal	**14.55**
i. Surface water	0.88
ii. Groundwater	0.00
iii. Seawater	0.00
iv. Produced water	0.00
v. Third party water	13.67



Water	Amount in mega liters
Total water consumption	**1.82**
i. Surface water	0.68
ii. Groundwater	0.00
iii. Seawater	0.00
iv. Produced water	0.00
v. Third party water	1.14

b. We do not have production sites or any other company location in areas known for water stress.

c. Our groundwater and third-party water used, is all classified as freshwater.

d. The data collection consists of queries to our subsidiaries as well as water bills and water analysis from the water supply providers from each subsidiary. The #Biocatalysts USA subsidiary is so far not measuring water withdrawal and water consumption separately as water builds part of the tenant contract as it is custom in the US. However, since this is a rather small production site, we assume that the part of water withdrawal compared to the total water withdrawal of the group is nearly equal to the used energy, which is 2.2% of the total used energy of the group.

Key Performance Indicator GRI SRS-306-3: Waste generated
The reporting organization shall report the following information:

a. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.

b. Contextual information necessary to understand the data and how the data has been compiled.

a. The total amount of waste generated for the reporting period is 152.24 tons. This figure is based on the following waste types and subsidiary:

Location	Non-hazardous	Hazardous	Sum
	In tons	**In tons**	**In tons**
BioScience Zwingenberg, GER	24.3	0.79	25.09
BioScience Potsdam, GER	29	17.9	46.90
Biocatalysts Cardiff, UK	42.75	2.5	45.25
Biocatalysts Tampa, USA	N/A	N/A	0.00
Biocatalysts Nieuwkuijk, NL	23.98	0	23.98
Biocatalysts Büttelborn, GER	11.03	0	11.03
Sum	**131.06**	**21.19**	**152.25**

*N/A – data not available

b. The data collection was carried out via queries to the subsidiaries and invoices from the respective waste management companies. In addition, our biggest production site #Biocatalysts UK is certified as a zero waste to landfill site, where all non-hazardous waste is recycled.

As a B2B supplier and service provider for industrial partners primary packaging doesn't build a material factor in our environmental footprint. We use recycled cardboard and re-use used packaging wherever possible. In our products business specially designed transport containers are cleaned and re-used in a circular system wherever possible and legally allowed. Hazardous and non-hazardous waste is sorted and professionally treated according to the applicable local regulations.

13. Climate-Relevant Emissions

The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions, as well as its results thus far.

Goals:

In 2022, we presented our inaugural Sustainability Report. Prior to this, no previous GHG emissions reduction targets were communicated. To reduce complexity and have a feasible starting point for a company of our size, we are currently focusing solely on our Scope 1 and Scope 2 emissions, but aim to include Scope 3 emissions in the future of our CSRD reporting. We have set the following targets for reducing GHG emissions by 2032 and 2050:

- Reduce GHG emissions in Scope 1 and 2 by 30% (by 2032)
- Reduce GHG emissions in Scope 1 and 2 to net zero (by 2050)

We already actively implemented several action points and are now able to record improvements in Scope 1 and 2 for the first time. The following actions are today active projects to reduce THG emissions within the BRAIN group:

a. Increased share of renewable primary resources (we installed or currently install photovoltaic systems in two of our main energy consuming facilities (Biocatalysts, UK & Zwingenberg, Germany)
b. Replacing all conventional light sources with LEDs in 22/23 (Zwingenberg, Germany)
c. Building renovation
d. Rethink, reduce & renew deep-freeze capacities for Bioarchive
e. Electrification of processes % transportation

Results so far:

So far, our main GHG emissions result from used electricity and from heating. We identified challenges in general energy reduction, because microorganisms, genes and enzymes must be stored at very low temperatures as low as down to minus 80°C and for growth and cultivation they must be cultivated at 30°C or 37°C in fermenters or other temperature chambers. Both, cooling and heating needs a lot of energy and is a process over several days. The gas consumption used for room heating and steam generation is used in big amounts for the 10 m^3 fermenters at Biocatalysts (UK), which run 24/7 due to the described needs of microorganisms and enzymes. Gas replacement is therefore of a bigger challenge and could only be replaced adequately by electric heating.

With respect to the above mentioned action points, we revealed the following results:

a. In May 2024, a solar power system was connected to the grid and produces its own electricity at our site BioScience, Zwingenberg. It is assumed that we therefore need 15% less standard energy mix at this site. Since Zwingenberg currently is responsible for 25% of the total electrical energy used, this will be around 5% of the total electrical energy of the group. Furthermore, a solar power system is currently built up at our site Biocatalysts UK and will be connected to the grid this summer. Even more, our site in UK will only use green electricity beginning from this summer. Since #Biocatalysts UK is the main consumer of electrical energy with 37%, we will reduce our Scope 2 emissions already by around 42 % (37% + 5 %) for the fiscal year 24/25. With this and the knowledge that electrical energy counts for 70% of our GHG emissions, we will meet our first target of 30% reduction of GHG emissions earlier than targeted.
b. Replacement of all conventional light sources with LEDs was performed completely in all sites in 22/23.
c. We renovated the roofs of the buildings in #BioScience Zwingenberg, which were basis for the installation of the novel PV modules.
d. In 23/24 we reduced of cooling and freezing capacities for the Bioarchive at our location Zwingenberg. We analyzed that fridges, freezers and temperature rooms are main consumers of electrical energy. Several AC systems for room temperature control were updated which will reduce future consumption.
e. In the last two years, new cars for the vehicle fleet have only been purchased as electric vehicles or plug-in hybrids.

The calculations of the indicators listed under 13 (key indicators) apply to the 2022/23 financial year and are total numbers from all locations in Germany, the Netherlands, the UK and the USA.

Key Performance Indicators to criteria 13

Key Performance Indicator GRI SRS-305-1: Direct (Scope 1) GHG emissions
The reporting organization shall report the following information:

a. Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent.

b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3 or all.

c. Biogenic CO2 emissions in metric tons of CO2 equivalent.

d. Base year for the calculation, if applicable, including:
i. the rationale for choosing it;
ii. emissions in the base year;
iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

f. Consolidation approach for emissions; whether equity share, financial control, or operational control.

g. Standards, methodologies, assumptions, and/or calculation tools used.

a. In the reporting year the direct (Scope 1) GHG emissions count 585.31 tons of CO_2 equivalent. 498.5 tons are due to gas consumptions, mainly natural gas, – the remaining 87 tons come from fuels for mobility and heating oil in one subsidiary (heritage building).

b. Gases included in our calculation are the gases resulting from the use of heating oil, natural gas and fuel (mainly CO_2).

c. In general we produce biogenic CO_2 trough different fermentations processes with yeasts, *E.coli* or *Bacillus* strains. However, the quantities of produced biogenic CO_2 has not been systematically measured yet.

d.
i. We have published our inaugural ESG report in 2022. 2020/21 has been the most appropriate base year as it was the first year with full availability of audited and non-audited data.
ii. The emissions in the base year amounted to 543.86 tons of CO_2 equivalent.

iii. There are no significant changes to name. The scope 1 emissions increased by 7.6% compared to the base year, which is due to our company growth. The BRAIN group showed an increase in their total operating performance from 53.07 million euros to 57.14 million euros in the last year, which is an exact growth rate of also 7.6 %.

e. The following websites and emission factors have been used for the calculation:

https://www.umweltpakt.bayern.de/energie_klima/fachwissen/217/berechnen-sie-ihre-treibhausgasemissionen-mit-co2-rechner

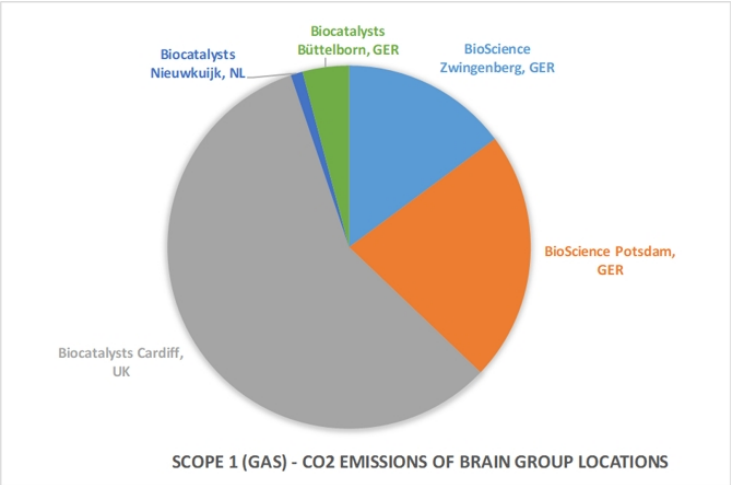
Excel Sheet: IZU: CO2 Rechner für Scope 1 und Scope 2 (Stand September 2023) Applied emission factors: UBA 2022: Emissionsbilanz erneuerbarer Energien

Standard emission factors for German energy mixture was used to calculate GHG emissions across all subsidiaries.

f. We have employed the same consolidation scope as for our financial reporting. All group companies are part of our emission reporting with the exception of financial participations below 50% of equity holding. In the scope of our financial participations are only science service or clinical development firms with very limited own emissions.

g. We haven`t made or used any other assumptions or unknown numbers, than the emission factors mentioned under

e. All calculations were performed in excel.



Key Performance Indicator GRI SRS-305-2: Energy indirect (Scope 2) GHG emissions
The reporting organization shall report the following information:

a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.

b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.

c. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.

d. Base year for the calculation, if applicable, including:
i. the rationale for choosing it;
ii. emissions in the base year;
iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

f. Consolidation approach for emissions; whether equity share, financial control, or operational control.

g. Standards, methodologies, assumptions, and/or calculation tools used.

a. In the reporting year the direct (Scope 2) GHG emissions count 1337.26 tons of CO_2 equivalent.

b. N/A

c. Scope 2 was calculated from the energy we use for our production sites, R&D locations and within our vehicle fleet. For the CO_2 equivalent GHG emissions we assumed the standard German energy mix. We have no detailed information about the energy mix at the different subsidiaries and therefore not which gases are included within the production of this different energy mixes.

d.
i. We have published our inaugural ESG report in 2022. 2020/21 has been the most appropriate base year as it was the first year with full availability of audited and non-audited data.
ii. The emissions in the base year amounted to 971.79 tons of CO_2 equivalent.
iii. The scope 2 emissions increased by 37% compared to the base year, which is on the one hand due to our company growth of 7.6 % (see explanation on scope 1). The major factor was that we used a smaller emission factor before.

However, from FY21/22 to FY 22/23, where we used the same emission factors for Scope 2, our Scope2 emissions decreased by 3% even if we grew by 7.6%. This shows that our energy reduction approaches with respect to electricity (see GRI 302-4) already count in.

e. The following websites and emission factors have been used for the calculation:

https://www.umweltpakt.bayern.de/energie_klima/fachwissen/217/berechnen-sie-ihre-treibhausgasemissionen-mit-co2-rechner

Excel Sheet: IZU: CO2 Rechner für Scope 1 und Scope 2 (Stand September 2023)

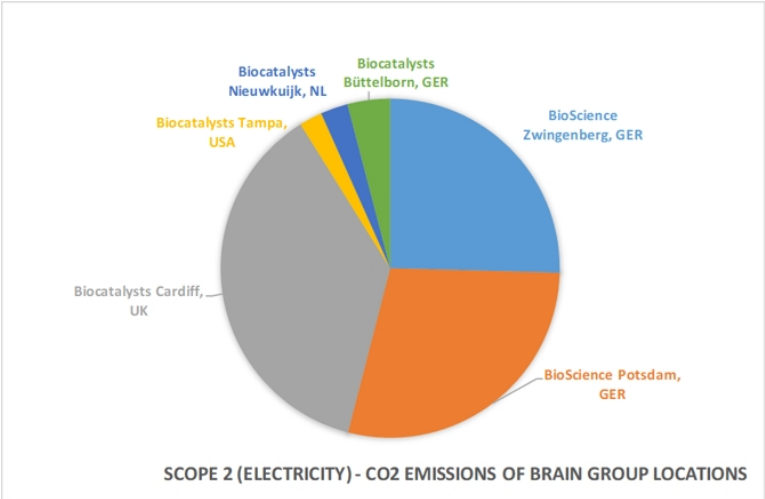
Applied emission factors: UBA 2022: Emissionsbilanz erneuerbarer Energien

Standard emission factors for German energy mixture was used to calculate GHG emissions over all subsidiaries.

f. We have employed the same consolidation scope as for our financial reporting. All group companies are part of our emission reporting with the exception of financial participations below 50% of equity holding. In the scope of our financial participations are only science service or clinical development firms with very limited own emissions.

g. We haven`t made or used any other assumptions or unknown numbers, than the emission factors mentioned under

e. All calculations were performed in excel



Key Performance Indicator GRI SRS-305-3: Other indirect (Scope 3) GHG emissions
The reporting organization shall report the following information:

a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent.

b. If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.

c. Biogenic CO2 emissions in metric tons of CO2 equivalent.

d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.

e. Base year for the calculation, if applicable, including:
i. the rationale for choosing it;
ii. emissions in the base year;
iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

g. Standards, methodologies, assumptions, and/or calculation tools used.

We have not yet been able to measure our Scope 3 emissions. As we will also take a closer look at our upstream and downstream supply chains as part of our commitment to CSRD reporting, we will probably also be able to report Scope3 in the future.

Key Performance Indicator GRI SRS-305-5: Reduction of GHG emissions
The reporting organization shall report the following information:

a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO2 equivalent.

b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.

c. Base year or baseline, including the rationale for choosing it.

d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).

e. Standards, methodologies, assumptions, and/or calculation tools used.

From FY21/22 to FY 22/23 we were able to reduce our Scope 2 emissions by 3% in total while our production increased, which was shown by an increase of the total operating performance from 53.07 million euros to 57.14 million euros (7.6%) in this period. This shows that our energy reduction approaches especially with respect to electricity (see GRI 302-4) already count in. We expect another great reduction of GHG emissions within the current financial year due to the installed solar power systems and the purchase of 100% green electrical energy at our site in UK.

Two years ago (21/22) all our light sources were changed to LEDs and cars were partially converted to electric and plug-in hybrid cars. Furthermore, very energy-intensive freezers and cold storage rooms were reorganized and reduced to a necessary level in order to save further energy.

This shows that we continuously try to reduce our GHG emissions to meet our targets shown under point 13. Climate Relevant Emissions

Criteria 14–20 concerning SOCIETY

Criteria 14–16 concerning EMPLOYEE-RELATED MATTERS

14. Employment Rights

The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.

BRAIN operates in accordance with all legal requirements in Germany and the EU when it comes to employee rights. In addition, we have introduced several measures to foster employee engagement and sustainability aspects.

BRAIN Biotech is a science based business and our employees build the decisive factor to compete globally. It is important that we continuously hire and retain the best people for the job, inspire them to stay with us long term, and support their lifelong development. BRAIN desires to create an attractive, fair, and trusting work environment for all its employees. We employ local people strategies at all of our group locations to acknowledge the different requirements of the individual business operations. Responsibility for defining and implementing group wide people initiatives lies with our Head of Human Resources (HR) at the headquarter in Zwingenberg, Germany, who directly reports to the CEO.

Our Global People Strategy is built around the following pillars:

(1) Engage employees,
(2) Make the right resources available to support our business goals,
(3) Continuously advance the BRAIN organization and
(4) Foster excellent people practices.

In line with these priorities, we have launched the "BRAINway program" in 21/22 to support intra-company exchange, enhance our corporate identity and internalize common goals. Since 2023, all employees have been asked to take part in an annual employee survey. The survey contains the topics: workplace conditions, Health and safety work environment, Compensation system, development possibilities, satisfaction with managers, general satisfaction. The survey shall support a continuous process towards employee engagement.

Group-wide we have formed an ESG/Sustainability Task Force consisting of employees across different functions and representing all group company members. There has been a strong commitment by our employees to participate and it has been great to see that many volunteered to be part on our journey to publish our inaugural sustainability report. There is a strong inherent believe within the organization that BRAIN really can make a positive impact. The core team of the group is currently performing the double materiality assessment with respect to CSRD.

Furthermore, in 2023 we built a team consisting of laboratory employees from all departments at our #BioScience location in Zwingenberg (GER). The aim is to identify the most material processes in the laboratory and the needed resources, therefore. In order to reduce energy and primary resources, the team is working on three different topics: saving energy by awareness (1); implementation of a digital lab book (2) and (3) sustainable purchase and warehousing.

Also we implemented new room/new work concept with respect to flexible working times and places as well as to digitalization and needs-oriented work. The concept was launched in august, 2023 and evaluated in January 2024. Nowadays, our employees have the choice if they want to use space for concentrated or collaborative work or for socializing.

Those examples indicate, how we integrate all of our employees into our sustainability management.

BRAIN is always open-minded for great employee ideas e.g. for energy savings and process optimization. We strongly believe that the best contributions for resource conservation will be generated by our own people. One concept, which we already have realized is a "Job Bike" offering for many of our employees.

In its different entities the BRAIN group is either focusing on breakthrough innovations, contract research or the production of innovative customer solutions. In all areas it is of high importance for us to protect our employees and the environment from any potential hazards which might relate to our business activities.

The BRAIN group is internationally active in Continental Europe, UK, US and complies with all local labor regulations. We have identified almost no material risks from our business activities in terms of compliance with employee rights because we adhere to national legislation in our developed world production countries Germany, the Netherlands, the UK and the USA.

We have defined the following social targets which incorporate employment related targets:

- By 2032, share of women in management positions above 30%
- By 2032, lost time injury frequency rate (LTIFR) per 1 million hours worked <3

Therefore, we are going to take the following actions:

- Attract and retain talent by flexible work options, employee participation and programs
- Actively promote female career developments to management
- Promote safe work environment

15. Equal Opportunities

The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.

The BRAIN group is an equal opportunity employer. We are about to develop a higher share of female employees into management positions. Female and male employees can take parental leave, financial support for childcare, generous leave arrangements in case of illness of children or care of relatives. We do support flexible working models and mobile working arrangements. Part-time workers are involved in the same way as full-time workers.

To increase diversity, BRAIN Biotech is within an internationalization process. At our location in Zwingenberg (Holding), we hired eight (8) non-German employees in the last two years and the official company language was changed to English. For our German employees we therefore offer English language training once a week during their working time and vice versa our non-German employees can take German courses. .

In 22/23 we introduced new definitions of employee and also leadership categories (senior, middle, general management) within the BRAIN group so that we can monitor woman in leadership positions more accurately. The defined employee categories are:

1. Senior Management is defined as participation in corporate strategies, professional and disciplinary management. This includes positions like Managing Directors, Head of Finance or Head of R&D…
2. Middle Management is defined as professional and disciplinary management. This includes positions like Unit Heads, Team Leads, Platform Leads, Head of Quality…
3. General Management is defined as professional management either in science, e.g. project leaders or project managers or in organizational topics, e.g. staff positions like Quality Manager, Manager IP, Manager ESG…
4. Engineering or administrative position is defined as engineers in science or production or administrative employees with master’s degree or

experienced employees with lower degrees.
5. (Technical) assistant position is defined as employees in production, science or administrative positions with assistant tasks, probably holding bachelor's degrees or lower.

In our first ESG Report 2022, we set ourselves the goal of having more women in management positions by 2032, at least 30% to be precise. The data, which is shown under GRI SRS-405-1 is indicating that we already reached this goal and are on a really good way for even more improvement. With the usage of the novel employee categories an adjusted gender pay gap with respect to these employee and leadership categories was calculated, which can be found in our ESG factsheet 2024 on pages 15 and 16.

Our social targets dealing with equal opportunities and occupational health have already been mentioned under point 14 (employment rights).

16. Qualifications

The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.

We consider the BRAIN group to be a knowledge driven enterprise. Our employees build the key differentiating factor for our competitiveness. Hence, talent recruiting and talent management play a key role in our corporate development. We have embedded a people strategy into our strategic planning process. Within our people strategy, we set out the strategic direction of our employee development. It sets out the interventions that are required to ensure we develop as a company that is continuously fit for purpose, lives its values and delivers its objectives. It aims to systematically deliver on our vision & mission for BRAIN, create a high performance organization and lead this great workplace into a successful future. Our people strategy consists of five key elements, which are built around BRAIN`s group core values safety & health, accountability, creativity & innovation, integrity & respect and sustainability. These five key elements are:

1. Performance Management: incentivize innovation, retain and attract talent, continuously develop leadership skills and careers
2. Innovation Management: encourage pioneering ideas and commercialize the incubator pipeline
3. Organizational Efficiency: Agile management, flexible work arrangements and effective internal communication
4. Personal Development: foster key training as well as development needs, efficient succession planning
5. Corporate Culture: act around core values, great place to work

We believe that these 5 key elements require lasting commitment and can not be bound to a specific timeline or be quantified directly in total numbers. It´s a process of development and growing together based on our values. We communicate, track progress and make adjustments to adapt. With the employee satisfaction survey we have created a tool to measure improvement and we see a very positive impact from our operations on employee qualification.
The group employees a very high proportion of skilled labor and promotes lifelong learning.
Our defined goal is to have 30% of women in leadership positions by 2032.

For a detailed breakdown of our staff by skill level, please refer to our ESG factsheet 2024, page 13
https://www.brain-biotech.com/content/files/publications/BRAIN_Biotech_Sustainability_Report_Data-sheet_2024_final.pdf

Health management: In early 2024 we offered the usage of the digital App WLP (work life portal) to our employees. The provider is the insurance company TK (Techniker Krankenkasse). Employees can use this app for trainings with respect to physical fitness, mental health, knowledge about healthy nutrition and other health topics. The app is also available for private use.

Further training: The implementation of the #BRAINway program (a continuous internal training) brings all employees from different locations up to the same level in terms of communication, project management and corporate strategy. As a research-based and innovative company, we also offer all employees further training in the desired areas. We support the goals of our employees both financially and in terms of time.

Digitalization: We switched completely to Microsoft365 in 2023 and use Teams for smooth communication between our employees on site and remote working. We also introduced a room booking software in 2023, which enables us to book meeting rooms and company cars quickly and from anywhere. Another goal for the coming year is to refine digital time recording in order to better document working hours and strengthen employee rights.

We do not see any major risks with respect to demographic change at our current locations as we are in progress with our digitalization processes. We allow all employees to continue their education and we support those with flexible working times and financial support

Key Performance Indicators to criteria 14 to 16

Key Performance Indicator GRI SRS-403-9: Work-related injuries
The reporting organization shall report the following information:

a. For all employees:
i. The number and rate of fatalities as a result of work-related injury;
ii. The number and rate of high-consequence work-related injuries (excluding fatalities);
iii. The number and rate of recordable work-related injuries;
iv. The main types of work-related injury;
v. The number of hours worked.

b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:
i. The number and rate of fatalities as a result of work-related injury;
ii. The number and rate of high-consequence work-related injuries (excluding fatalities);
iii. The number and rate of recordable work-related injuries;
iv. The main types of work-related injury;
v. The number of hours worked.

You will find the remaining numbers c-g of the indicator SRS 403-9 in the GRI standard and may additionally report them here.

Key Performance Indicator GRI SRS-403-10: Work-related ill health
The reporting organization shall report the following information:

a. For all employees:
i. The number of fatalities as a result of work-related ill health;
ii. The number of cases of recordable work-related ill health;
iii. The main types of work-related ill health.
b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:
i. The number of fatalities as a result of work-related ill health;
ii. The number of cases of recordable work-related ill health;
iii. The main types of work-related ill health.

You will find the remaining numbers c-e of the indicator SRS 403-10 in the GRI standard and may additionally report them here.

a.
i. There have been no fatalities (0) as a result of work-related injuries.
ii. There have been no high-consequence work-related injuries.
iii. There have been 1 recordable work-related injury and 16 smaller (recorded) injuries, which did not needed to be diagnosed by a physician and which did not result in days away from work.
iv. The 1 recordable injury was a twisted ankle and the smaller injuries were cuts, skin irritations and one burn of the eye.
v. The total number of hours worked in the fiscal year 22/23 amounted to 523,932.66 hours.

b.
i. There have been no fatalities as a result of work-related injuries.
ii. There have been no high-consequence work-related injuries.
iii. There have been no recordable work-related injuries.
iv. Not available due to i.-iii. v. N/A.

GRI SRS 403-10: Work related ill health

a.
i. There have been no fatalities as a result of work-related ill-health.
ii. There was 1 case of recordable work-related ill-health.
iii. This was a suspected sensitization.

b.
i. There have been no fatalities as a result of work-related ill-health.
ii. There have been no cases of recordable work-related ill-health.
iii. Not available due to i. + ii.

Key Performance Indicator GRI SRS-403-4: Worker participation on occupational health and safety
The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.

b. Where formal joint management–worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.

Type	Description	How often?
Health & Safety Management	Implemented in the company organigram, Board responsibility, Qualified, responsible persons for technical subareas (occupational safety, laboratory safety, infection control, genetic engineering, chemical safety, occupational medicine), Staff unit for coordination, regular reports & meetings	regularly, several times a year
Occupational Safety Committee	Participation: Occupational safety specialist, company physician (both independent, external), Health & Safety coordinator, Safety representatives (laboratory, office), Laboratory management, HR as required	quarterly, at least 4 meetings per year
Safety Instructions for employees	general operational instructions, escape & rescue plan instruction according to infection protection law instruction according to genetic engineering safety regulation instruction according to Chemicals Ordinance all instructions mandatory once a year Other as required: work-place related instructions activity-related instructions	Instruction offered 4 times a year on fixed dates, self-learning online option, as required for new arrivals, visitors, etc.
Risk assessments	project specific and general	as required
Health-care	voluntary health care offerings by the company medical department for all employees, vaccination offers, mandatory preventive medical checkups for individual activities	regularly, several times a year as required
Information & Employee participation	announcement of operating instructions and risk assessments in team meetings and on company intranet Personal interaction with the responsible persons possible on demand, group email address of the safety team	in case of updates, as required / requested

In the fiscal year 22/23 our Corona Task force was disbanded again.

Key Performance Indicator GRI SRS-404-1: Average hours of training
The reporting organization shall report the following information:

a. Average hours of training that the organization's employees have undertaken during the reporting period, by:
i. gender;
ii. employee category.

a.

i. All male employees have undertaken an average of 138.3 hours training per person. All female employees have undertaken an average of 89.3 hours training per person.

ii. Average hours per employee category:
Most training hours are received by our engineering and production team, which get more than half a year training when they start working with us. We furthermore show our training hours sorted after different functions. Again, technical and production positions receive the most training hours.

		Total hours	Number of persons	H p P
Employee category				
Total hours of training in senior management positions		2,957.00	22	1
Total hours of training in middle management positions		2,140.00	29	7
Total hours of training in general management positions		2,031.00	68	2
Total hours of training in engineering or administrative positions		12,150.00	94	1
Total hours of training in (technical) assistant positions		3,011.00	100	3
Function				
Total hours of training in technical positions		1,529.00	N/A	N
Total hours of training in IT positions		140.00	N/A	N
Total hours of training in administrative positions		295.00	N/A	N
Total hours of training in production jobs		623.00	N/A	N
Total hours of training in accounting positions		512.00	N/A	N
Total hours of training in human resources		216.00	N/A	N
Total hours of training in management		937.00	N/A	N

Key Performance Indicator GRI SRS-405-1: Diversity
The reporting organization shall report the following information:

a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:
i. Gender;
ii. Age group: under 30 years old, 30-50 years old, over 50 years old;
iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).

b. Percentage of employees per employee category in each of the following diversity categories:
i. Gender;
ii. Age group: under 30 years old, 30-50 years old, over 50 years old;
iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).

GRI SRS-405-1

a. In the financial year 22/23, the Management Board of BRAIN Biotech AG consisted of 2 persons:
i. 100% male, 0% female
ii. 0% under 30 years of age; 100% older than 50 years of age

b.
i.
In the year 22/23 we improved our definitions of employee categories and therefore also leadership categories, where we defined 3 different categories.

1. Senior Management is defined due to participation in corporate strategies, professional and disciplinary management. This includes positions like Managing Directors, Head Of Finance or Head of R&D…
2. Middle Management is defined due to professional and disciplinary management. This includes positions like Unit Heads, Team Leads, Platform Leads, Head of Quality…
3. General Management is defined due to professional management either in science, e.g. project leaders or project managers or in organizational topics, e.g. staff positions like Quality Manager, Manager IP, Manager ESG…

With respect to these definitions, we collected the following numbers for the BRAIN group for the FY 22/23:

Total numbers	Men	Women	Total
Senior Management	15	7	22
Middle Management	19	10	29
General Management	37	31	68
Percent [%]	Men	Woman	Total
Senior Management	68.2	31.8	100
Middle Management	65.5	34.5	100
General Management	54.4	45.6	100

This shows that in all leadership categories we already reached our target for 2032 (30% woman in leadership positions). The challenge will be to keep and broaden the status quo. Especially in the lower management category, we have already equal representations, giving us a good chance in the following years to raise this rate also in the higher leadership categories by following our talent management plans.

ii.
Average age of all employees amounted to 39.5 years. We did not differentiate ages of different categories of employment. The average age of new hires was 31 years and of exits about 36.6 years.

iii. We collected the number of full-time and part-time workers. While we had 332 employees we had 166 men and 166 women. From those we had 258 full-time employees (153 men and 105 women) as well as 74 part-time employees (13 men and 61 women). This indicates that unpaid care-work is still on the part of woman in the countries we act in. However, the BRAIN group gives men and women equal opportunities for care work and complies with the legal guidelines of the respective (EU) guidelines. At our location in Zwingenberg (GER) we support all employees with an additional childcare grant of 150 € per month per child.

Key Performance Indicator GRI SRS-406-1: Incidents of discrimination
The reporting organization shall report the following information:

a. Total number of incidents of discrimination during the reporting period.

b. Status of the incidents and actions taken with reference to the following:
i. Incident reviewed by the organization;
ii. Remediation plans being implemented;
iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;
iv. Incident no longer subject to action.

a. + b.
The company is not aware of any incidents of discrimination during the

reporting period.

Criterion 17 concerning RESPECT FOR HUMAN RIGHTS

17. Human Rights

The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information should also be provided on the results of the measures and on any relevant risks.

The BRAIN Group is a member of the UN Global compact and since 2023 also of the novel UN Global Compact Netzwerk Germany, with an active CoP status, which includes an ethics codex on human rights which we follow.

The BRAIN group generally has a low risk on misconduct in respects to human rights as:

- our services and production operations are all located within the developed world: Europe (Germany and Netherlands), UK and the USA
- around 90% of our supply chain is located within the developed world and mostly with large or global partners
- we have established additional supply chain standards on the individual entity levels
- we employ almost entirely highly skilled and skilled labor

Due to the above facts, we view the risks to affect human rights negatively from our operations as to be very low and to be not material for our business, therefore in 2023 no targets habe been communicated

BRAIN considers the risk of human rights violations in our company to be very low. This applies for our labor practices as well as for our products. Hence, no goals have yet been formulated in this context.

Key Performance Indicators to criteria 17

Key Performance Indicator GRI SRS-412-3: Investment agreements subject to human rights screenings
The reporting organization shall report the following information:

a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.

b. The definition used for 'significant investment agreements'.

The BRAIN Group is an active member of the UN Global compact and follows the UN Code of Conduct in regard to human rights.

As mentioned before, we have in general a low risk of human rights violations as all of our production assets and the vast majority of our business activities is centered around the developed and highly industrialized world. Our business activities as well as operations do focus on Continental-Europe, UK and US.

To our best knowledge, there have been no direct violations in the reporting year on human rights issues.

However, at our locations in the developed countries, digital security and privacy was identified as a material topic. Therefore we follow different guidelines regarding handling with privacy data and security in the different locations. In Germany we follow the EU GDPR and the BDSGneu as well as internal guidelines regarding handling with personal data, dealing with social media, etc. We also provide specific training to our employees, who are in contact with personal data as well as restricted access to personal data according to the EU GDPR.

Supply chain:

We buy laboratory and raw materials, utilize these to create our services and manufacturing process up to the finished product.

We aspire to build sustainable and stable relationships with our suppliers. We prefer partners and suppliers with high own environmental and social standards. Information regarding specific supplier violations is reported and investigated directly. If confirmed, an action plan is prepared to mitigate the topics or to search for alternative sources.

Most purchasing decisions are done at the level of the individual operating units, but we increasingly centralized purchasing especially in the #BioIndustrial segment in the last two years. This will not only unify standards but also allows to increasingly harvest economies of scale. Close to 90% of our BRAIN Group product sourcing is executed within the EU, UK, US and other

developed countries with high labor and social standards. Most of this from large or multinational suppliers. Only around 10 % of our sourced products originate from emerging markets (mostly China) with the relative share of these purchases decreasing during the last years. Emerging market sources require our special attention when it comes to supply chain standards, especially on human rights.

#BioProducts Cardiff, our enzyme production company within the UK utilizes a standardized Supplier Approval Questionnaire (SAQ) for all its suppliers. In addition, Biocatalysts enforces supplier risk assessment, approval and monitoring procedures.

Key Performance Indicator GRI SRS-412-1: Operations subject to human rights reviews
The reporting organization shall report the following information:

a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.

As our operations are taking part in the developed world, human rights audits are not material for BRAIN and have not been conducted.

Within the supply chain we have taken the measures mentioned above.

Key Performance Indicator GRI SRS-414-1: New suppliers subject to social screening
The reporting organization shall report the following information:

a. Percentage of new suppliers that were screened using social criteria.

Due to the diverse nature of our business, each of our entities has its own supplier management. We have taken the following precautionary measures:

Close to 90% of our BRAIN Group product sourcing is executed within the EU, UK, US and other developed countries with high labor and social standards. Most of this from large or multinational suppliers.

Biocatalysts utilizes a standardized Supplier Approval Questionnaire (SAQ) for all its suppliers. The SAQ is also employed for SEDEX (Supplier Ethical Data Exchange) or equivalent certifications. In addition, Biocatalyst enforces supplier risk assessment, approval and monitoring procedures.

Key Performance Indicator GRI SRS-414-2: Social impacts in the supply chain
The reporting organization shall report the following information:

a. Number of suppliers assessed for social impacts.

b. Number of suppliers identified as having significant actual and potential negative social impacts.

c. Significant actual and potential negative social impacts identified in the supply chain.

d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.

e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

This statistic has not been conducted in the past.

We are currently carrying out the double materiality analysis in accordance to CSRD. We are currently investigating whether supply chains will become a material topic for us as a research-based company. If so, we will develop the relevant guidelines over the next two years, as we will be required to report in accordance with CSRD from 2026.

Criterion 18 concerning SOCIAL MATTERS

18. Corporate Citizenship

The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.

The different entities of the BRAIN Group support their local communities via various fundraising and social activities.

BRAIN #BioScience Zwingenberg is a founding member of the "Kulturstiftung Bergstraße" and grants to local Youth Fire Department as well as to the local group of the DRK (Deutsches Rotes Kreuz). Due to the innovative business in the fields of molecular biology, genetics, microbiology and biotechnology (fermentation), we employ several undergraduate and graduate students from Universities (TU) and technical colleges (FH) and develop their skills in the mentioned platforms. This enlarges and strengthens the biotechnology network

between academics and industry in the area and attracts young talents for a career in the BRAIN company.

BRAIN #BioScience Potsdam (Analyticon) furthermore donates to regional associations with a focus on biodiversity and social youth programs.

Biocatalysts: engagement into ad-hoc fund raising, for example, "jeans for genes, Trussell trust, and Tyhahan". Offering charity giving salary sacrifice opportunities for charities aid foundation.

Key Performance Indicators to criteria 18

Key Performance Indicator GRI SRS-201-1: Direct economic value generated and distributed
The reporting organization shall report the following information:

a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:
i. Direct economic value generated: revenues;
ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;
iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.

b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.

For a convenient overview, please view our ESG Data Sheet 2024 for the fiscal year 22/23, page 3 - 6

https://www.brain-biotech.com/content/files/publications/BRAIN_Biotech_Sustainability_Report_Data-sheet_2024_final.pdf

Criteria 19–20 concerning ANTI-CORRUPTION AND BRIBERY MATTERS

19. Political Influence

All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.

The group does not directly support any political parties but engages in different lobby activities via the participation in industry associations and lobbying organizations. Our focus is built around the important social topics of the biologization of industrial processes, bioeconomy, biotechnology, enzymes, CRISPR Cas technology, circular economy and, in addition, local or national industry associations.

The mother company BRAIN Biotech AG is member of:

- DECHEMA
- Bio Deutschland e.V.
- CCIFA - Chambre de Commerce et de L'Industrie France-Amérique
- CLIB e.V.
- Industrieverbund Weiße Biotechnologie e.V. (IWBio)*
- Kulturstiftung für die Bergstraße

* Since June 2018 our managing director Martin Langer is deputy chairman of the executive board in the IWBio e.V. German Industrial Biotechnology Association.

Key Performance Indicators to criteria 19

Key Performance Indicator GRI SRS-415-1: Political contributions
The reporting organization shall report the following information:

a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.

b. If applicable, how the monetary value of in-kind contributions was estimated.

The group does not directly support any political parties, so there is no value of party donations we could report.

The BRAIN Biotech AG participates as member in different industry associations as the IW Bio e.V. or BIO Deutschland e.V., where we pay the standard membership fees.

20. Conduct that Complies with the Law and Policy

The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be risks. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.

Good Corporate Governance involves responsible, value-based and sustainable corporate management and control. This includes the efficient cooperation between the Management Board and the Supervisory Board, respect for the interests of employees and shareholders, open and transparent communication as well as an appropriate approach to risk. BRAIN is targeting full operational alliance with all legal requirements and its own values. In addition, it is absolutely key for our business success to protect our Intellectual Property (IP). To achieve this, we have defined the following goals and actions in our ESG Objectives Roadmap 2032:

Detailed Actions

- Further evolution of Financial Control Framework (FCF)
- Pro-active IP filing & trade secret strategy to enhance and manifest IP position

Goals

- By 2032, Target zero fines from compliance & operational breaches
- Ongoing, significantly increase share of milestone and royalty income in #BioScience in relation to revenues

The group engages in regular training sessions for all its employees on compliance topics, data protection laws, digital security and workplace safety. All new employees must complete an initial training and have to complete a standardized onboarding procedure.
Our goals so far could be achieved for the fiscal year 22/23 as we had zero fines from compliance & operational breaches. The significantly increase of share of milestone and royalty income in #BioScience in relation to revenues was not reached. This is a long-term target which will evolve over a period of time and might be lumpy especially with regards to th emilestone payments depending on the business year. There was a small increase from royalties from € 1,008 thousand (year 20/21) to € 1,157 thousand (year 21/22), but as also the revenue increased, so that the ratio didn`t change significantly.

Compliance
BRAIN has a legally trained internal compliance officer who conducts regular

compliance trainings, monitors all compliance relevant processes and interacts with the respective authorities. The company has also established a whistle blower framework and adjusted this to the new legal requirements. The compliance officer advises the board in coordination with investor relations on all potentially insider related matters. In addition, for science topics the company has established educational measures and checks to comply with laboratory and genetic regulations.

Tax Strategy

BRAIN Biotech believes its obligation as a responsible taxpayer is to comply with the tax legislation of the countries in which it operates and pays the right amount of tax at the right time. BRAIN does not only aim to comply with the letter of the law, but also with its spirit. BRAIN uses business structures that are aligned with business activities and that are driven by commercial considerations. BRAIN only makes use of tax incentives where they are (i) aligned with business activities and operational objectives, (ii) generally available to all market participants and (iii) specified by law. As such, tax strategy always follows the business decision. BRAIN pays tax on profits according to where value is created within the normal course of its business activities. BRAIN does not use aggressive tax planning strategies or tax havens to minimize its tax burden. Any transfer pricing of intercompany transactions is done in accordance with the arm's length principle developed by the OECD and is applied consistently throughout the group. BRAIN maintains an open and constructive dialogue with tax authorities based on transparency and trust. BRAIN engages with them in honesty, integrity and respect.

Corruption

As we mostly directly act in markets in Central Europe, UK and USA, corruption and risks thereof, are not a material topic yet. We will check this again within our double materiality analysis according to CSRD in 2024.

Key Performance Indicators to criteria 20

Key Performance Indicator GRI SRS-205-1: Operations assesed for risks related to corruption

The reporting organization shall report the following information:

a. Total number and percentage of operations assessed for risks related to corruption.

b. Significant risks related to corruption identified through the risk assessment.

We follow a strict no bribery policy.

The BRAIN Group has established efficient internal compliance and financial controlling with its BRAIN Financial Control Framework and BRAIN Red Book

as mandatory guidelines for all group companies. Compliance is controlled by our finance department, our compliance officers, external audit as well as monthly and/or quarterly monitoring meetings.

A whistleblower process has been established in accordance with all legal requirements.

A strict four-eye principal is applied to all financial payments.

In the reporting year we have not identified any major risks in this area. All consolidated group companies are monitored for corruption risk.

Key Performance Indicator GRI SRS-205-3: Incidents of corruption
The reporting organization shall report the following information:

a. Total number and nature of confirmed incidents of corruption.

b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.

c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.

d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.

We had no incidents in the categories a.-d

Key Performance Indicator GRI SRS-419-1: Non-compliance with laws and regulations
The reporting organization shall report the following information:

a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:
i. total monetary value of significant fines;
ii. total number of non-monetary sanctions;
iii. cases brought through dispute resolution mechanisms.

b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.

c. The context against which significant fines and non-monetary sanctions were incurred.

We had no material fines for the non-compliance with law and/or regulation in

the reporting year. Within our ESG targets, we target a zero material fine rate also for the future.

Overview of the GRI indicators in the Sustainable Code declaration

In this Sustainable Code declaration, we have reported according to the "comply or explain" principle on the GRI indicators listed below. This document refers to the GRI Standards 2016, unless otherwise noted in the table.

Areas	Sustainable Code criteria	GRI SRS indicators
STRATEGY	1. Strategic Analysis and Action 2. Materiality 3. Objectives 4. Depth of the Value Chain	
PROCESS MANAGEMENT	5. Responsibility 6. Rules and Processes 7. Control	GRI SRS 102-16
	8. Incentive Systems	GRI SRS 102-35 GRI SRS 102-38
	9. Stakeholder Engagement	GRI SRS 102-44
	10. Innovation and Product Management	G4-FS11
ENVIRONMENT	11. Usage of Natural Resources 12. Resource-Management	GRI SRS 301-1 GRI SRS 302-1 GRI SRS 302-4 GRI SRS 303-3 (2018) GRI SRS 306-2 (2020)*
	13. Climate-Relevant Emissions	GRI SRS 305-1 GRI SRS 305-2 GRI SRS 305-3 GRI SRS 305-5
SOCIETY	14. Employment Rights 15. Equal-Opportunities 16. Qualifications	GRI SRS 403-4 (2018) GRI SRS 403-9 (2018) GRI SRS 403-10 (2018) GRI SRS 404-1 GRI SRS 405-1 GRI SRS 406-1
	17. Human Rights	GRI SRS 412-3 GRI SRS 412-1 GRI SRS 414-1 GRI SRS 414-2
	18. Corporate-Citizenship	GRI SRS 201-1
	19. Political Influence	GRI SRS 415-1
	20. Conduct that Complies with the Law and Policy	GRI SRS 205-1 GRI SRS 205-3 GRI SRS 419-1

*GRI has adapted GRI SRS 306 (Waste). The revised version comes into force on 01.01.2022. In the course of this, the numbering for reporting on waste generated has changed from 306-2 to 306-3.