BRAIN BIOTECH AG

Sustainability Report

under the voluntary reporting framework
for small and medium size enterprises (VSME)

Financial Year 2023/24

Sustainability is not a formality for BRAIN Biotech AG, but an integral part of our corporate strategy. We are committed to developing products and services that are safe, innovative, environmentally friendly, and socially responsible. With our novel and customized special enzymes, we are targeting especially the food and beverage industry, as well as the life sciences industry. We fully endorse the concept of the circular economy and contribute to the bioeconomy by helping industry make their products and processes more sustainable. We see sustainability as the foundation of our long-term success. This includes resource-efficient production, fair working conditions, ethical corporate governance, and safe products that contribute to improving global nutrition and health.

Although we are not yet subject to statutory reporting requirements, this comprehensive and voluntary sustainability report is based on the new voluntary standard for micro, small, and medium-sized enterprises (VSME).

Our goal is to create transparency, make progress measurable, and firmly embed sustainability in our decision-making processes. This report shows how we integrate sustainability into our processes, products, and corporate culture, and outlines the path we are taking to create long-term value for people, the environment, and society.

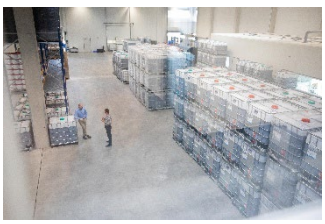
In addition, we publish an annual ESG datasheet that presents the most relevant key performance indicators in a concise and easily accessible format. As a participant of the UN Global Compact, we also report our progress once a year through our Communication on Progress (COP).

Information about sustainability at BRAIN Biotech can be found on our website at: https://www.brain-biotech-group.com/en/sustainability/

The BRAIN Biotech Group´s operations sites in the financial year 2023/24:

BRAIN Biotech AG
(GER, Zwingenberg)

AnalytiCon Discovery
(GER, Potsdam)



Biocatalysts
(GER, Büttelborn)

Biocatalysts (UK, Cardiff)

Biocatalysts (NL, Nieuwkuijk)

Biocatalysts (USA, Tampa)

1. Management summary

1.1 Letter to our stakeholders

Inspiring sustainable innovation – the #BiobasedFuture

At BRAIN Biotech AG, sustainability is not an aspiration - it is our foundation. As a leading technology provider and developer of bio-based products and solutions for nutrition, health, and the environment, we are committed to enabling the use of biology in industrial processes and driving the transition to a more sustainable economy. We believe that nature is our greatest teacher. By learning from its diversity and efficiency, we unlock innovations that redefine what is possible in biotechnology.

Our business model rests on two core pillars. First, we conduct targeted research and development of innovative bio-based solutions. Second, we produce customized, ready-to-use products with a strong focus on microbially produced enzymes. This approach allows our clients to select the ideal combination of service modules along their entire value chain, from discovery to application.

Our work is rooted in microbiology. We explore the vast world of bacteria, fungi, and yeasts, which hold immense potential for the future of sustainable production. Our comprehensive BRAIN Bioarchive and our MetXtra™ database capture this potential, containing unique and diverse collections of natural organisms and metagenomic sequences that often serve as the starting point for our breakthrough innovations.

Through tailored enzyme technology, microbial strain engineering and bioprocess advancement, we translate nature’s intelligence into practical applications. We develop bio-based ingredients, enzymes, and molecules that can make consumer products and industrial processes more sustainable.

Our next-generation genome editing tools further strengthen our innovation capabilities, giving us a distinct competitive advantage and positioning us at the forefront of the so-called biologization of industry. In this future, manufacturing processes consume less energy, produce fewer byproducts, and rely on renewable biological systems instead of finite resources.

This vision is deeply embedded in our corporate strategy and captured in our guiding principle: **Creating a #BiobasedFuture.**

We are proud to contribute actively to a more sustainable and liveable world. In our innovation pipeline, we are developing effective solutions that we refer to as **#BRAIN Impact:** breakthroughs with significant ecological and economic potential.

By embracing this shared purpose, we unleash creativity and drive across the whole BRAIN Biotech Group. It is also what inspired me to join the company as CEO in 2020. I am grateful that so many of our shareholders, partners, and customers share this vision.

Leading innovation responsibly requires profitable growth which allows us to invest in research, expand our impact, and contribute to broader sustainability goals. At the same time, we have set ambitious ESG targets, anchored in the long-term remuneration system of the Executive Board, focusing on environmental stewardship, social responsibility, and strong governance.

Today, we are proud to present our first VSME Sustainability Report (FY 2023/2024), offering transparent insights into how BRAIN Biotech AG contributes to a more sustainable and bio-based future.

We invite you to explore our journey and join us in shaping a future where innovation and nature thrive together.

With appreciation,

Adriaan Moelker
Chief Executive Officer, BRAIN Biotech AG

1.2 General Information

1.2.1 REPORT ACCORDING TO THE SUSTAINABILITY STANDARD 'VOLUNTARY SME STANDARD' (VSME)

In the light of the recent amendments to the EU CSRD reporting framework and the ongoing uncertainty around future reporting obligations and the implication on our company, BRAIN Biotech AG has decided to prepare a sustainability report in accordance with the **new voluntary standard for micro, small, and medium-sized enterprises (VSME)** and, with this report, presents its first disclosure for the **2023/2024 financial year**.

This sustainability report includes both the **Basic Module (B1 - B11) and the Comprehensive Module (C1 - C9)**. The Basic Module represents the minimum requirements for companies wishing to disclose their ESG strategies. The Comprehensive Module supplements the Basic Module with additional disclosures (C1 - C9), which are particularly relevant for investors, corporate clients and financial institutions. It is designed to meet their expanded information needs and to provide transparency regarding the company's sustainability risk profile - for example, in the context of credit risk assessment or supplier relationships. The content of this module is aligned with the legal requirements and reporting obligations of the respective business partners, thereby enabling stakeholders to make a well-founded assessment of our company. Where specific disclosures are not provided, this is to be understood as an indication of their non-applicability.

The modules cover the fundamental disclosures on ESG topics, including energy and emissions management, pollution, biodiversity, water consumption, resource use, as well as social aspects such as working conditions, employee health, and occupational safety. We have decided to provide **additional information in selected areas** that goes beyond the requirements of the VSME standard. We do so particularly where the collected data is directly linked to our sustainability goals and helps to demonstrate our progress in these areas. We call this the **"VSME Plus"** Approach.

To apply the VSME approach in identifying ESG topics, a **full Double Materiality Assessment (DMA)** was conducted. In doing so, the requirements of the European Sustainability Reporting Standards (ESRS) were considered, and targeted strategic decisions were made to define the focus precisely and to ensure that the relevant topics are effectively reflected in the sustainability reporting.

To ensure the quality of the report and maintain a balanced approach, we engaged various external experts who supported us in conducting the DMA and shaping the foundation of this report. Our external partners include Sustevia GmbH, ESG.DNA GmbH, and the ESG consultancy division of Baker Tilly.

1.2.2 INNOVATING WITH NATURE

Our planet has finite resources, and we must use them wisely and efficiently to leave a liveable world for future generations. This requires innovative and disruptive ideas. Old paths must be redesigned and transformed.

Nature serves as our role model, offering sustainable solutions to a wide range of industrial challenges we face today. We see our mission in **exploring and unlocking these solutions from nature** and appling them in creating a bio-based future.

Our **work in partnership with nature** spans all areas of our value chain and begins by collecting environmental samples such as soil or water from different locations. Each of these habitats harbours a diverse community of microorganisms adapted to the local environmental conditions, and they vary in both taxonomic and functional diversity. It is thanks to microbiological expertise and carefully curated design of experiments leading more than 50,000 organisms in the **BRAIN Bioarchive**. We use them as whole cell biocatalysts or as a source for screening specialist enzymes.

From microorganisms to enzymes to data to application

To translate the diverse capabilities of the living microorganisms and environmental samples into sustainable technological applications, we screen them for novel enzymes, that can later be used in industrial processes. The blueprint for these enzymes is encoded in the DNA of the microorganisms, which we isolate, sequence and transform into digital data.

MetXtra™ is our growing proprietary database that contains genomic information on millions of new enzymes and metabolic pathways from previously uncultivated microorganisms. The database combines natural diversity with state-of-the-art bioinformatics and artificial intelligence to discover unique and superior enzymes with high efficacy. In the next step we develop enzyme candidates further using advanced technologies and bring them to application readiness.

Precise enzyme and protein production

In the field of production strains, we utilize a broad spectrum of optimized microorganisms enabling efficient production of target proteins.

During subsequent **bioprocess development**, production processes (fermentations) are adapted for efficient and energy-saving scale-up, and the downstream processing of the final product is optimized with a focus on resource conservation and replacement of harmful substances.

Contributing to a greener economy

Biology-driven industrial processes require less primary energy, generate fewer difficult by-products, and are grounded in ecological principles. This commitment is fully embedded in our corporate strategy.

1.2.3 VISION

At BRAIN Biotech, we envision a future where biotechnology becomes the cornerstone of sustainable industrial progress, and where our expertise in enzymes and integrated biological solutions drives positive change across the globe. **Our goal is to rise among the world's top ten enzyme companies**, not only by scale but also by the significance of the contribution we hope to make toward future global challenges.

We pursue a clear and disciplined strategy of profitable growth in specialty enzyme markets. These markets are expanding rapidly, offering significant opportunities for both scientific breakthroughs and strong profitability. By focusing on high-value applications and leveraging our unique technological platforms, we are positioning ourselves as a leader in industrial biotechnology. The successful commercialization of projects from the **BRAIN Bio-Incubator** proves the strength of our innovation engine and our ability to translate pioneering science into solutions with tangible economic and ecological benefits.

Our mission extends far beyond business success. We are **committed to addressing global sustainability challenges** in energy and the environment, livestock farming, food security, and planetary boundaries. Our solutions enable industries to reduce emissions, conserve natural resources, and transition to circular production models that respect the ecological limits of our planet. At the same time, we help secure the foundations of human well-being by supporting safe, nutritious, and affordable food production, as well as healthier approaches to farming and resource use.

Through this dual commitment - **profitable growth and sustainable impact** - we thrive to create value for shareholders, partners, and society at large. We see our role not only as innovators but also as responsible stewards of science and nature, ensuring that each step forward contributes to the **UN Sustainable Development Goals** (SDGs) and builds resilience for future generations.

With a team **inspired by discovery and driven by purpose**, BRAIN Biotech is determined to transform industrial processes worldwide, making them cleaner, smarter, and more sustainable. In doing so, we will empower our partners, support our customers, and shape industries for decades to come - creating a future that unites innovation, responsibility, and profitability.

2. Our way to a fully integrated ESG strategy

2.1 Double materiality analysis (DMA)

2.1.1 PURPOSE AND REGULATORY CONTEXT OF THE DOUBLE MATERIALITY ASSESSMENT

We voluntarily initiated the process of a **comprehensive double materiality assessment (DMA)** in September 2024, based on the assumption that the company could be subject to the requirements of the EU regulation, Corporate Sustainability Reporting Directive (CSRD) and, consequently, the application of the European Sustainability Reporting Standards (ESRS). This proactive early start allowed us to systematically prepare for the potential regulatory obligations and to embed the relevant methodologies and principles into our assessment framework.

Although the **Voluntary Reporting Standards for SMEs (VSME)** does not require a formal DMA, disclosure requirement C-4 on climate risks nevertheless calls for a substantive assessment of related impacts, risks, and opportunities. The conducting of a comprehensive DMA in accordance with ESRS enables us to capture both our impacts on the environment and society (impact materiality) as well as the sustainability-related risks and opportunities we face (financial materiality) in a systematic manner.

The DMA serves as an efficient management tool for developing our integrated ESG strategy and designing tailored KPI´s (key performance indicators) to measure and achieve our sustainability goals.

2.1.2 APPROACH AND ANALYTICAL METHODOLOGY

To integrate a **360-degree view on all aspects and processes** of the company as well as along the entire value chain, we formed an international and interdisciplinary **ESG Ring Team** spanning all our geographical sites and business areas. The Executive Board, Sustainability and ESG, Investor Relations (IR), Quality management, Finance, Legal, Heads of Business Units and Experts of processes worked together, technically supported by external consultants and auditors. This ring team extends its impact beyond the DMA, serving as a multiplier for all ESG-related topics across the organization. It is also contributed to deriving and implementing appropriate measures. We also incorporated external stakeholder perspectives - such as analyst reports and customer requirements - to complete the picture and enhance the robustness as well as quality of the DMA.

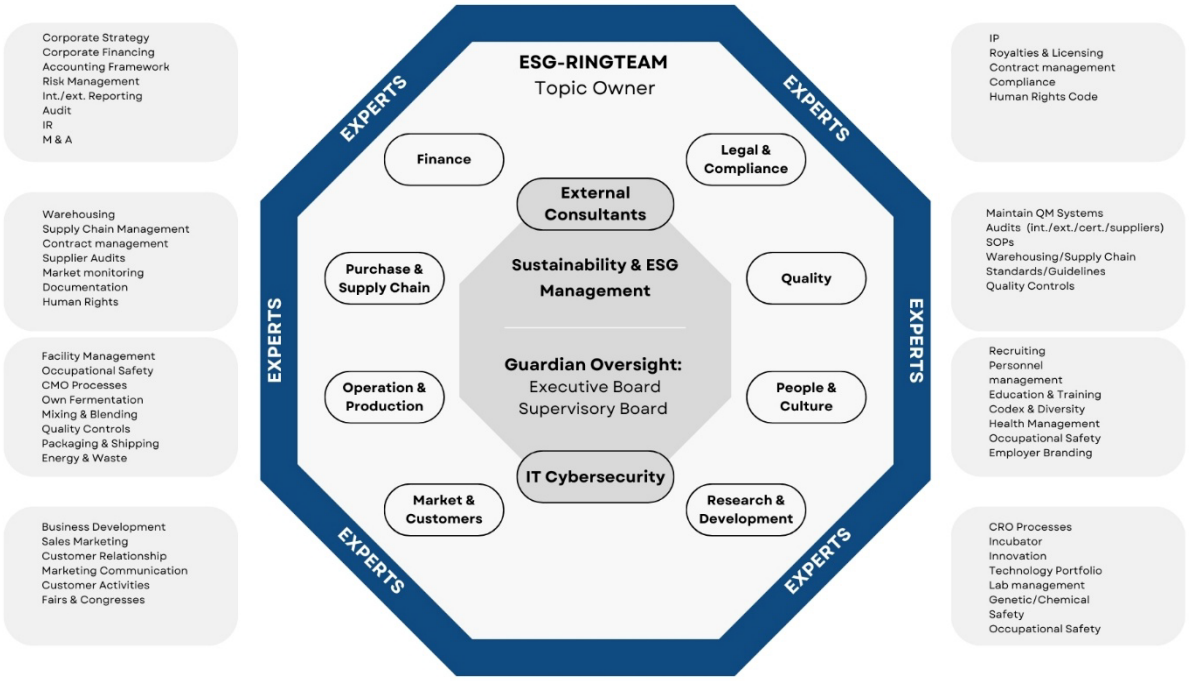


Figure 1: ESG Ring Team. *This figure illustrates the proxy approach for stakeholder engagement. Topic owners and experts from all business units and subsidiaries provide a comprehensive view of all relevant aspects.*

In preparation for the DMA, several workshops were conducted to analyse our business model and the entire value chain, as well as to carry out initial environmental assessments. This included a **LEAP analysis, a climate scenario analysis and geographical as well as location-specific analysis.** A LEAP Analysis is a structured approach to assessing nature-related risks, dependencies, impacts, and opportunities, developed under the TNFD (Taskforce on Nature-related Financial Disclosures) framework. LEAP stands for locate, evaluate, assess and prepare. A climate scenario analysis is a method used to explore possible future climate developments based on different assumptions about emissions, policies, and socioeconomic factors. It helps assess climate-related risks and impacts to support informed decision-making on mitigation and adaptation.

The results of this preliminary work were made available to all ring team members, along with information on the DMA methodology and related subject matter. This helped them to familiarize themselves with the topics beforehand and to form initial ideas about potential material issues for the corporate group.

During a central in-person workshop, all participants were aligned to the same level of understanding. Together, the team worked through the relevant sustainability topics (according to ESRS AR16) to identify IROs (Impacts, Risks and Opportunities) and provide an initial assessment of their significance.

The assessment was conducted in line with the ESRS requirements across several dimensions, including scale, scope, irremediability, and likelihood. The calculated materiality factor or score reflects the relative importance of each topic. As part of the initial assessment, a materiality threshold was established at the midpoint of the assessment scale, which served as a minimum criterion for material relevance. Topics with scores above this threshold were deemed material. The actual assessment of positive and negative impacts (impact materiality) was carried out by the ring team in several iterative cycles using a predefined metric, which was explained in detail. The written justifications provided by the participants enabled a clear understanding of the assessments, which in many cases were closely aligned. For topics where assessments differed, experts were brought together for further discussion, and - based on well-substantiated arguments - final adjustments to the evaluations were made.

The assessment of risks and opportunities (financial materiality) was carried out by our risk management, following an aligned approach with both existing metrics and methodology in the existing RMS (Risk Management System). The alignment with threshold values enabled us to ensure comparability and successfully reconcile ESG risks with the risks previously already captured in the RMS. ESG risks that exceed a defined threshold will also be monitored and managed within the central RMS going forward. An annual reconciliation and clearly defined handover points ensure that emerging risks will continue to be identified in a timely manner.

In line with the requirements of B1, C1, and C2 of the VSME, we systematically assess our practices to ensure that the DMA provides a solid foundation for consistent reporting. This assessment is reviewed annually to maintain alignment with regulatory requirements, stakeholder expectations, and business developments, and is updated as needed in response to changes in legal requirements or the company’s operating environment.

2.1.3 RESULTS OF THE DOUBLE MATERIALITY ANALYSIS

The DMA covers BRAIN Biotech’s own operations as well as its upstream and downstream value chain. During the identification phase, a total of 65 sustainability-related impacts, risks, and opportunities were identified across environmental, social, and governance topics. These included negative and positive impacts on people and the environment, as well as financial risks and opportunities arising from sustainability-related developments. Following the systematic evaluation of impact materiality and financial materiality, 21 impacts, risks and opportunities (IROs) were confirmed as material.

These IROs can be assigned to five ESRS topics:

- **ESRS E1 – Climate change**
- **ESRS E3 – Water and marine resources**
- **ESRS E5 – Resource use and circular economy**
- **ESRS S1 – Own workforce**
- **ESRS G1 – Business conduct**

Climate change (ESRS E1): Under ESRS E1, climate change has been identified as the most material sustainability topic. Key matters include greenhouse gas emissions from energy-intensive processes and business travel, significant emissions across the upstream and downstream value chain, and substantial energy demand related to fermentation and cooling processes. In addition, BRAIN Biotech faces climate-related supply chain risks and increasing regulatory requirements.

At the same time, climate change presents a major opportunity: the company's bio-based technologies enable customers to reduce emissions and energy consumption, supporting the transition to a low-carbon economy.

The negative environmental impacts highlight the company's reliance on energy-intensive operations and value chain dependencies. Improving energy efficiency, advancing decarbonisation initiatives, and shifting towards lower-emission energy sources are therefore core elements of BRAIN Biotech's climate and energy strategy. Furthermore, climate-related risks - such as potential raw material supply disruptions and rising regulatory costs - reinforce the strategic importance of reducing energy dependency and strengthening climate resilience.

Water and marine resources (ESRS E3) were identified as a material topic due to the relatively high water demand of fermentation processes and the company's reliance on water-intensive agricultural raw materials in the upstream value chain. Although the company's own sites are located in regions without significant water stress, water remains a critical input factor for operations and an important element for long-term value chain resilience. These matters are addressed through efficiency improvements, responsible water management, recirculation and the continuous enhancement of environmental management systems.

Resource use and circular economy (ESRS E5) have been identified as a material topic due to both environmental impacts and strategic opportunities. Key challenges include the generation of hazardous waste at certain sites and structural dependencies on agricultural raw materials, which create availability and price risks. These are partly balanced by the positive effects of enzyme-based solutions, which extend product shelf life, reduce waste in customer value chains, and promote more resource-efficient and circular processes.Negative impacts in our operations are also addressed through process optimization, responsible waste management, supplier engagement, and ongoing improvements to our environmental management systems.

The workforce (ESRS S1) is a key social priority for BRAIN Biotech. Material topics include positive impacts such as employee engagement, health and well-being, and professional development. At the same time, as a research-driven company, BRAIN Biotech faces risks related to dependency on key personnel and the ongoing challenge of attracting, developing, and retaining highly qualified employees in a competitive labour market. Workforce-related matters are critical for operational continuity, innovation capacity, and long-term competitiveness. The company addresses these through initiatives that enhance employee satisfaction, well-being, and professional growth, while also focusing on talent retention, capability building, and succession planning. Strong corporate governance and a supportive corporate culture further reinforce this strategic focus.

Business conduct (ESRS G1) is a material topic due to the critical importance of ethical behaviour, compliance, and sound governance in ensuring trust, long-term stability, and sustainable business success. Key risks include exposure to regulatory and policy changes in highly regulated markets, as well as dependency on supplier certifications and trustworthy business relationships.

Addressing these challenges requires a strong corporate culture, robust compliance systems, regulatory monitoring, and proactive engagement. These measures help manage financial and operational risks, ensure continued market access, and protect the company's reputation, while also supporting sustainable value creation and growth opportunities.

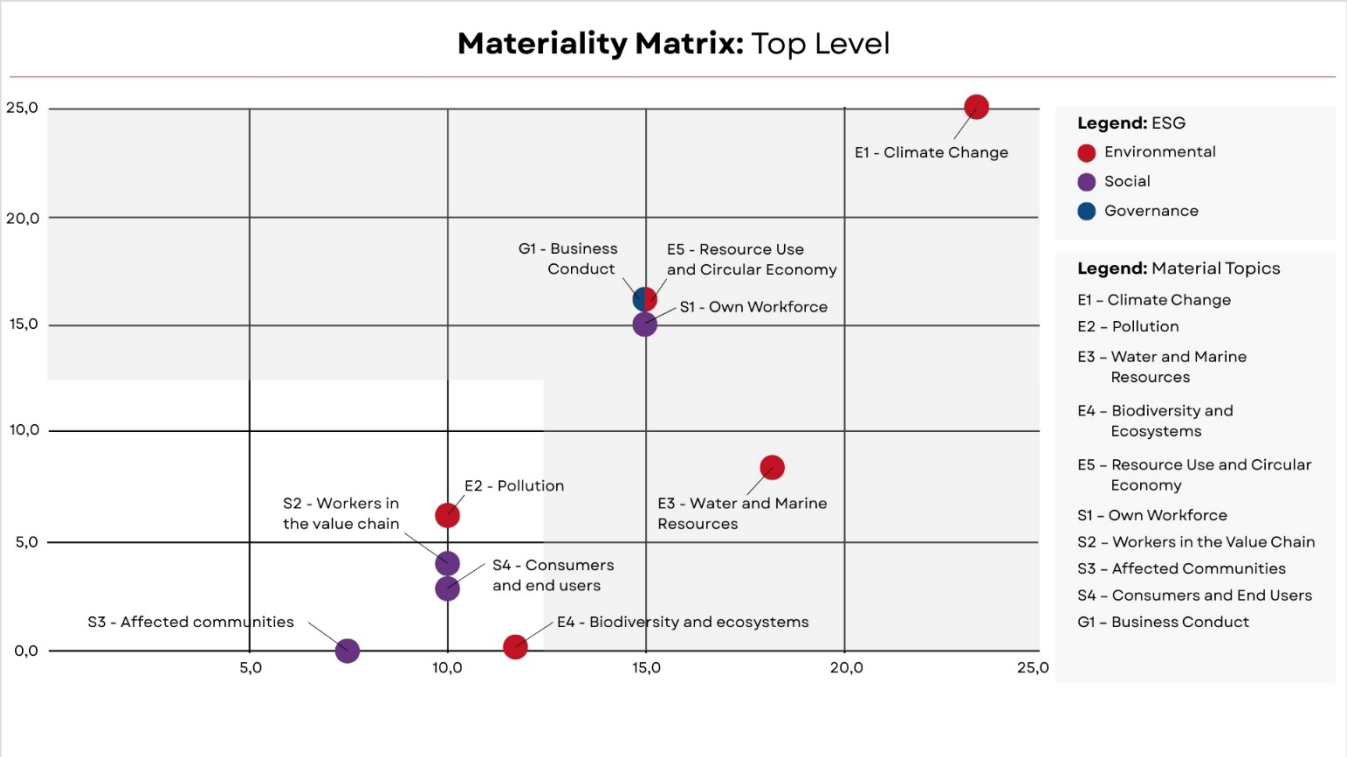


Figure 2: Double Materiality Matrix. *This materiality matrix is presented at the ESRS topic level, with financial materiality on the vertical axis and impact materiality on the horizontal axis. The grey area highlights the topics that were assessed as material in the DMA, as their materiality factor exceeds the defined threshold. The 12.5 threshold (on a 5×5 scale = 25) is high enough to capture truly material IROs, but not so low that it includes minor topics. It ensures only issues with significant financial and/or impact relevance are prioritized, creating a balanced, decision-useful focus that supports strategy and compliance without over-loading the assessment with less relevant topics.*

Double Materiality Assessment

DWA Topics	Category	Sustainability Matter	IROs (Impact, Risk & Opportunities)					Time horizon
			Upstream	Own activities		Downstream		
			Resources	R&D (CRO)	Manufacturing (CDMO)	Distribution	Consumers	
E1 Climate Change	–	Climate Change Mitigation		Greenhouse gas emissions from internal operations				●○○
	–	Climate Change Mitigation	Greenhouse gas emissions in the value chain			Greenhouse gas emissions in the value chain		●○○
	+	Climate Change Mitigation		Reduction of greenhouse gas emissions through bio-based products				●○○
	–	Energy		High energy demand due to energy-intensive processes				●○○
	⚠	Climate Change Mitigation	Raw material supply disruptions due to climate Change					●●●
	⚠	Climate Change Mitigation		Increased costs due to stricter environmental regulations				●●●
	⚠	Climate Change Mitigation				Reduced market access due to missing certifications and information		●●●
	◎	Climate Change Mitigation				Increased market demand & revenue growth		●●●
E3 Water & Marine Resources	–	Water Consumption		High water consumption connected to fermentation process				●○○
	–	Water Consumption	Water consumption in the upstream supply chain					●○○
E5 Circular Economy	–	Waste		Generation and disposal of hazardous waste				●○○
	+	Waste		Resource saving through product life extension and metal recovery				●○○
	⚠	Resources Inflows, Including Resource Use	Dependency on supplier relationships; supply risk from single sourcing					●○○
S1 Own Workforce	+	Social Diagogue		Increased employee satisfaction, retention, and engagement through the employee forum & worker's council at the Cardiff and Postdam site				●○○
	+	Health and Safety		Promotion employee health an well-being				●○○
	+	Training & Skills Development		Inclusion of personal & professional development within a comprehensive people strategy				●○○
	⚠	Professionals & Talents (individual)		Dependency on key staff for competitiveness and knowledge reteteion				●●○
	⚠	Professionals & Talents (individual)		Challenges in talent acquisition development and retention				●●○
G1 Business Conduct	+	Corporate Culture		Strong corporate culture within sites				●○○
	⚠	Political Engagement & Lobbying Activities		Business dependencies on regulations and policy changes in a highly regulated market				●●○
	⚠	Management of Relationships with Suppliers Includingn Payment Practices		Dependency on single-source suppliers and very personal relations increases vulnerability to disruptions				●●○

Figure 3: Value chain allocation of material impacts, risks and opportunities (explanation see next page).

Figure 3: Value chain allocation of material impacts, risks and opportunities. *This figure illustrates the results of BRAIN Biotech's Double Materiality Assessment by mapping the identified material impacts, risks and opportunities (IROs) along the ESRS standards and the company's value chain. The horizontal axis differentiates between upstream activities, own activities (CRO, CDMO and distribution), and downstream activities, thereby providing a clear overview of where material sustainability matters arise within the business model and across the value chain. The figure reflects both impact materiality and financial materiality in line with the European Sustainability Reporting Standards (ESRS).*

The coloured elements represent environmental, social and governance-related IROs and distinguish between negative impacts and risks as well as positive impacts and opportunities. Environmental matters, including climate change, water use and resource dependencies, are shown as occurring across the entire value chain, with climate-related impacts and risks affecting upstream activities, own operations and downstream activities. Social matters relating to the own workforce are concentrated within the company's own activities and include both positive impacts, such as employee engagement and well-being, and risks associated with talent availability and dependency on key staff. Governance-related matters are primarily linked to own activities and highlight exposure to regulatory and policy changes as well as vulnerabilities arising from supplier dependencies.

2.2 Strategic implications

2.2.1 FULLY INTEGRATED ESG STRATEGY

Within a coherent management framework, BRAIN Biotech connects double materiality, strategic priorities, ESG performance, and stakeholder expectations to enable sustainable value creation.

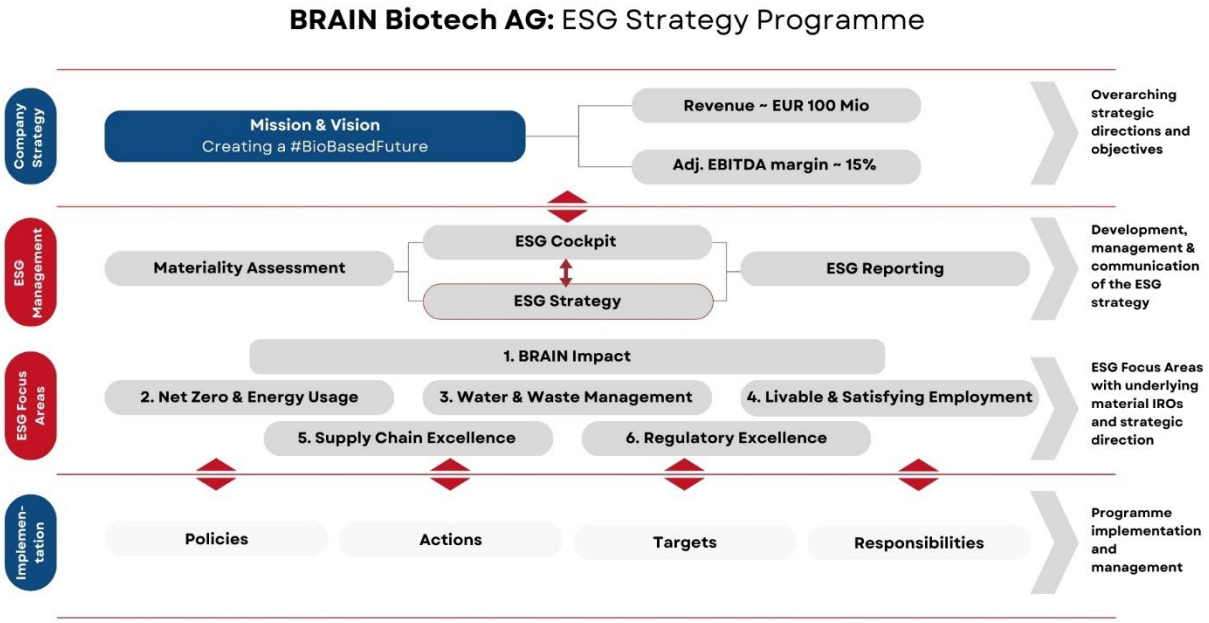


Figure 4: BRAIN ESG Strategy Program. *This figure illustrates how the BRAIN Biotech's ESG strategy is embedded in the overall corporate strategy and implemented throughout the organization. Derived from the company's mission and financial objectives, the double materiality assessment (DMA) serves as the foundation of ESG management. Its outcomes shape the ESG strategy, which is tracked through the ESG cockpit and ultimately disclosed through ESG reporting. This strategy is structured around six defined ESG focus areas derived from the DMA's material impacts, risks, and opportunities, and is translated into practice through concrete policies, actions, targets, and responsibilities, ensuring systematic implementation and ongoing management.*

2.2.2 STRATEGIC ALIGNMENT OF MATERIAL TOPICS WITH SIX FOCUS AREAS

The DMA results demonstrate a clear alignment between material sustainability-related impacts, risks and opportunities and strategic focus areas. Each material IRO identified according to the ESRS standards has been systematically mapped to a corresponding focus area, ensuring sustainability considerations are fully embedded in strategic decision-making, operational management and risk oversight. This structured approach supports consistent implementation, effective prioritisation of actions and transparent reporting.

Our six ESG focus areas – **Brain Impact**, **NetZero & Energy Consumption**, **Water & Waste Management**, **Attractive Working Conditions**, **Supply Chain Excellence** and **Regulatory Excellence** – are aligned with the United Nations Sustainable Development Goals (SDGs) and provide the framework for implementing targeted measures to contribute to sustainable development.

ESRS Standard	Sustainability matter	IRO	Focus Area
E1	Greenhouse gas emissions from internal operations	Negative impact	Net Zero & Energy Usage
E1	Greenhouse gas emissions in the value chain	Negative impact	Net Zero & Energy Usage
E1	Reduction of greenhouse gas emissions through bio-based processes	Positive impact	BRAIN Impact
E1	High energy demand due to energy-intensive processes	Negative impact	Net Zero & Energy Usage
E1	Raw material supply disruptions due to climate change	Risk	Supply Chain Excellence
E1	Increased costs due to stricter environmental regulations	Risk	Regulatory Excellence
E1	Missing supplier certifications or information leading to deprioritization in procurement processes	Risk	Supply Chain Excellence
E1	Increased market demand and revenue growth	Opportunity	Supply Chain Excellence
E3	High water consumption connected to fermentation process	Negative impact	Water and Waste Management
E3	Water consumption in the upstream supply chain	Negative impact	Water and Waste Management
E5	Generation and disposal of hazardous waste	Negative impact	Water and Waste Management
E5	Extending shelf life of customer products to reduce resources and waste	Positive impact	BRAIN Impact
E5	Dependence on resource availability	Risk	Supply Chain Excellence
S1	Increased employee satisfaction, retention, and engagement through the employee forum and worker's council at the Cardiff and Potsdam site	Positive impact	Liveable & Satisfying Employment
S1	Promoting employee health and well-being	Positive impact	Liveable & Satisfying Employment
S1	Inclusion of personal and professional development within a comprehensive people strategy	Positive impact	Liveable & Satisfying Employment
S1	Dependency on key staff for competitiveness and knowledge retention	Risk	Liveable & Satisfying Employment
S1	Challenges in talent acquisition, development, and retention	Risk	Liveable & Satisfying Employment
G1	Strong corporate culture within sites	Positive impact	Liveable & Satisfying Employment
G1	Business dependencies on regulations and policy changes in a highly regulated market	Risk	Regulatory Excellence

G1	Dependency on single-source suppliers and very personal relations	Risk	Supply Chain Excellence

The table above illustrates the clear linkage between the ESRS standards, identified impacts, risks and opportunities (IROs), and our defined ESG focus areas, demonstrating how regulatory requirements are translated into a strategic ESG structure. Each sustainability matter identified under the ESRS is systematically assessed and mapped to a specific focus area, ensuring that material topics are not treated in isolation but embedded into coherent strategic priorities.

Under ESRS E1 (Climate change), greenhouse gas emissions from internal operations and the value chain, as well as high energy demand from energy-intensive processes, are identified as negative impacts and are consistently assigned to the focus area Net Zero & Energy Usage. This highlights the company's strategic emphasis on decarbonisation and energy efficiency. At the same time, climate-related risks - such as raw material supply disruptions, increased regulatory costs, and missing supplier certifications - are linked to the focus areas Supply Chain Excellence and Regulatory Excellence, reflecting the operational and compliance dimensions of climate change. Conversely, positive impacts and opportunities, such as emission reductions through bio-based processes and increased market demand, are aligned with BRAIN Impact and Supply Chain Excellence, underscoring the role of innovation and market positioning in addressing climate challenges.

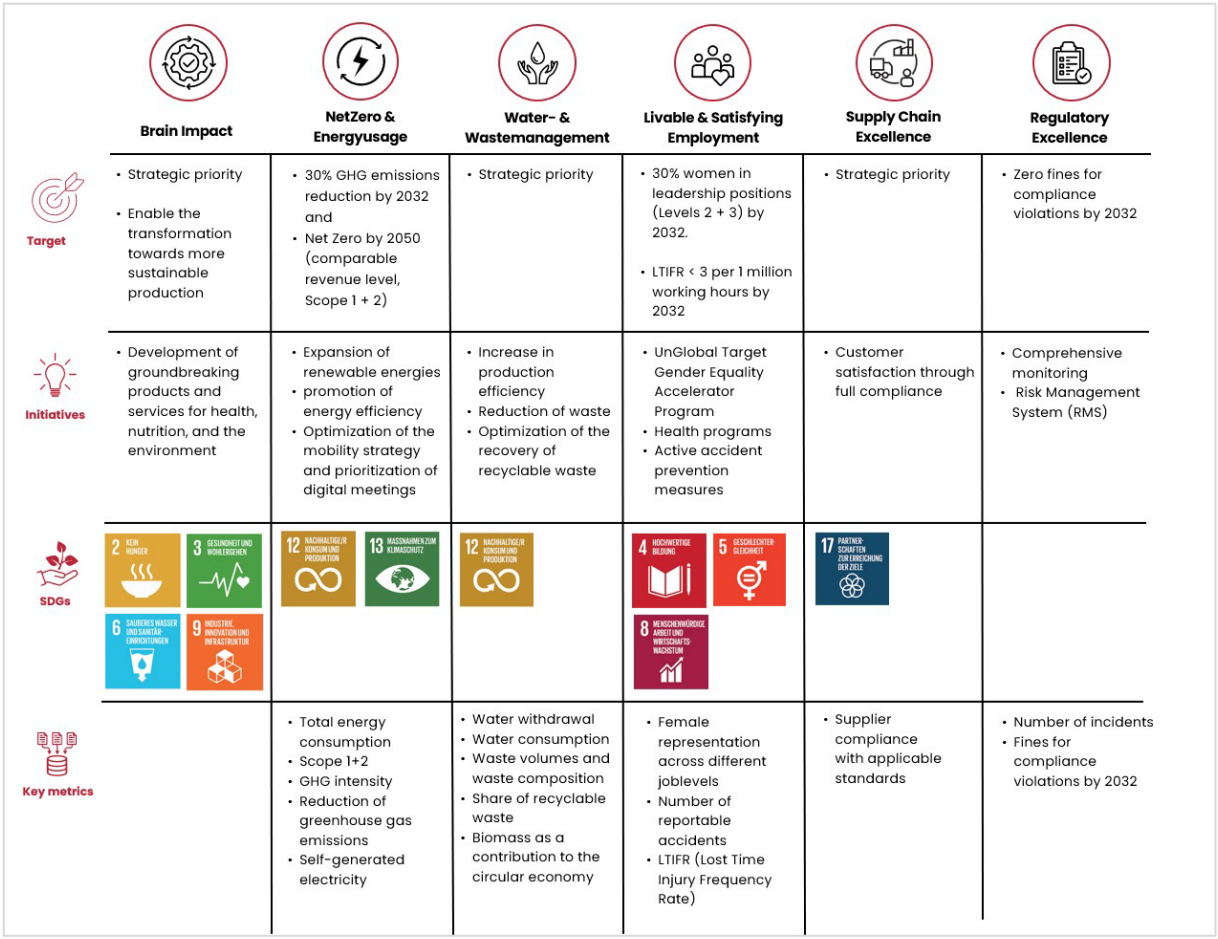
Environmental topics under ESRS E3 (Water and marine resources) and ESRS E5 (Resource use and circular economy) are predominantly connected to the focus area Water and Waste Management. High water consumption in fermentation processes, upstream water use, and the generation and disposal of hazardous waste are treated as negative impacts requiring targeted management measures. At the same time, the extension of product shelf life to reduce resource waste is identified as a positive impact and linked to BRAIN Impact, highlighting how technological and process innovation can contribute to resource efficiency and circularity.

Social topics under ESRS S1 (Own workforce) are consistently mapped to Liveable & Satisfying Employment, reflecting the strategic importance of people-related matters. Positive impacts - such as increased employee satisfaction, health and well-being initiatives, and personal and professional development - are balanced against key risks, including dependency on highly qualified personnel and challenges in talent acquisition and retention. This alignment demonstrates a holistic view of workforce management, combining value creation with risk mitigation.

Finally**, ESRS G1 (Business conduct)** connects governance-related impacts and risks to both Liveable & Satisfying Employment, Regulatory Excellence, and Supply Chain Excellence. A strong corporate culture is recognised as a positive impact on employment quality, while dependencies on regulation, policy changes, and single-source suppliers are treated as governance and operational risks.

2.2.3 TAILORED DATA MANAGEMENT AND ESG COCKPIT

Through clearly **defined key performance indicators (KPIs)** along the focus areas, we manage and monitor the effectiveness of our measures and actively steer the achievement of our **medium- and long-term sustainability targets**. By aligning them with stakeholder expectations and reporting obligations, we ensure their relevance and tailor them to our strategic priorities. Together with effective data management they form a robust and simultaneously scalable ESG cockpit. We plan to continuously improve our data collection processes and gradually automate them to systematically minimize potential sources of error.



	Brain Impact	NetZero & Energyusage	Water- & Wastemanagement	Livable & Satisfying Employment	Supply Chain Excellence	Regulatory Excellence
Target	• Strategic priority • Enable the transformation towards more sustainable production	• 30% GHG emissions reduction by 2032 and • Net Zero by 2050 (comparable revenue level, Scope 1 + 2)	• Strategic priority	• 30% women in leadership positions (Levels 2 + 3) by 2032. • LTIFR < 3 per 1 million working hours by 2032	• Strategic priority	• Zero fines for compliance violations by 2032
Initiatives	• Development of groundbreaking products and services for health, nutrition, and the environment	• Expansion of renewable energies • promotion of energy efficiency • Optimization of the mobility strategy and prioritization of digital meetings	• Increase in production efficiency • Reduction of waste • Optimization of the recovery of recyclable waste	• UnGlobal Target Gender Equality Accelerator Program • Health programs • Active accident prevention measures	• Customer satisfaction through full compliance	• Comprehensive monitoring • Risk Management System (RMS)
SDGs	2 KEIN HUNGER; 3 GESUNDHEIT UND WOHLERGEHEN; 6 SAUBERES WASSER UND SANITÄR-EINRICHTUNGEN; 9 INDUSTRIE, INNOVATION UND INFRASTRUKTUR	12 NACHHALTIGE/R KONSUM UND PRODUKTION; 13 MASSNAHMEN ZUM KLIMASCHUTZ	12 NACHHALTIGE/R KONSUM UND PRODUKTION	4 HOCHWERTIGE BILDUNG; 5 GESCHLECHTER-GLEICHHEIT; 8 MENSCHENWÜRDIGE ARBEIT UND WIRTSCHAFTS-WACHSTUM	17 PARTNER-SCHAFTEN ZUR ERREICHUNG DER ZIELE	
Key metrics		• Total energy consumption • Scope 1+2 • GHG intensity • Reduction of greenhouse gas emissions • Self-generated electricity	• Water withdrawal • Water consumption • Waste volumes and waste composition • Share of recyclable waste • Biomass as a contribution to the circular economy	• Female representation across different joblevels • Number of reportable accidents • LTIFR (Lost Time Injury Frequency Rate)	• Supplier compliance with applicable standards	• Number of incidents • Fines for compliance violations by 2032

***Figure 5: Contribution to the SDGs along the 6 focus areas**. This figure shows the allocation of targets, initiatives and KPIs across the six focus areas as well as their contribution to the respective SDGs.*

2.2.4 ESSENTIAL ESG INDICATORS AT A GLANCE

KPIs highlighted in the grey box track and drive progress towards our sustainability goals.

CO2e emissions, Scope 1

601.51 t

CO2e emissions, Scope 2

980.62 t

THG emission reduction*

28 %

Total energy consumption

5377.86 MWh

Greenhouse gas intensity **

28.98 t CO2e

Self-generated electricity (solar)

101.2 MWh

Share of renewable energies

20 %

Water withdrawal

20.13 ML

Women in management positions

26 %

Recyclable waste

39 %

Recycled Biomass

240 t for biogas

LTIFR ***

1.2

Number of employees

318
4 countries

Personal training hours

17

Fines for compliance violations

0

* Greenhouse gas emissions reduction, Scope 1+2, base year 2021/22
** Greenhouse gas intensity, Scope 1+2, tCO2e per EUR 1 million in revenue
*** Lost Time Injury Frequency Rate, based on 1 million working hours

Figure 6: ESG indicators at a glance.

3. General information

3.1 Basis for preparation (B1)

Disclosure	Description	
Reporting option	Option B: Basic Module and Comprehensive Module	
Disclosure type	No information required by the VSME Standard omitted.	
Preparation basis	Consolidated basis, BRAIN Biotech Group. Data collection for the Tampa site is still in progress. The location has been included in the GHG emissions inventory and energy consumption calculations. However, no reliable data were available for water and waste for this site at the time of reporting.	
List of subsidiaries (incl. addresses and geolocations)	BRAIN Biotech AG, Darmstädter Strasse 34-36, 64673 Zwingenberg, Germany, Geocode 49.72483, 8.60464 AnalytiCon Discovery, Hermannswerder 17, 14473 Potsdam, Germany, Geocode 52.38113,13.03131 Biocatalysts Ltd DE, Max-Planck-Straße 16, 64572 Büttelborn, Germany, 49.92206, 8.5193 Biocatalysts Ltd UK, 1 Cefn Coed, Nantgarw, Cardiff CF15 7QQ, United Kingdom, Geocode 51.56239, -3.27140 Biocatalysts Ltd NL, Vimmerik 2M, 5253 CB Nieuwkuijk, ZThe Netherlands, Geocode 51.69594, 5.17307 Biocatalysts Inc US, 6306 Benjamin Rd #600, Tampa, FL 33634, U.S.A., Geocode 28.00557, -82.54199	
Legal form	AG (PLC or Corporation (Inc.))	
NACE sector classification	72.11.0: Research and experimental development on biotechnology 20.14.0: Manufacture of other organic basic chemicals	
Balance sheet size 30.09.2024	88.7 million euros	
Turnover 30.09.2024	54.6 million euros	
Number of employees	318	
Country of primary operations	DE / UK / NL / USA	
Sustainability-related certificates	**Germany**	ISO 9001, FFSC 22000, Kosher, Halal
	UK:	ISO 45001, ISO 14001, ISO 9001, FFCS 2200, SEDEX, Kosher, Halal
	Netherlands:	FFSC 22000, Kosher, Halal
	USA:	Prerequisite and Food Program, Kosher, Halal
	ISO 45001	Health Safety, The development and manufacture of enzyme and protein products.
	ISO 14001	Environment, The development and manufacture of enzyme and protein products.
	ISO 9001	Quality management, development and manufacture of enzyme and protein products.
	FFSC 22000	Food safety, development and manufacture of enzyme and protein products.
	SEDEX membership	Supply Chain, SMETA 4 pillar audit basically ESG
	Kosher	As per certificate
	Halal	As per certificate

3.2 BRAIN Biotech business modell (B2, C1, C2)

3.2.1 BUSINESS MODEL AND SUSTAINABILITY – RELATED INITIATIVES (C1)

BRAIN Biotech develops, produces, and distributes specialty enzymes, proteins, and microbial production strains for industrial applications. The Group focuses on the food & beverages, life sciences, and environmentally relevant sectors, and, in addition, offers the development and optimization of fermentation processes for large-scale enzyme and protein production.

The company's business model is designed to bridge the gap between scientific innovation and industrial application, using biotechnology as a key enabler of decarbonization, circularity, and resource efficiency.

BRAIN Biotech's mission, "Creating a Bio-based Future", reflects its commitment to transforming traditional chemical and industrial processes into sustainable, bio-based alternatives.

In the 2023/24 financial year, BRAIN Biotech generated revenues of approximately 54.6 million Euros and employed approximately 300 people. Until 2024, the company's business model was built on three complementary operating segments comprising product sales, research services, and incubator projects. This structure allowed BRAIN Biotech to balance a stable base business with breakthrough innovation while serving customers across Europe, North America, and selected global markets.

Reorganization of the corporate structure from 2024

To better create and focus synergies between research and the product business, BRAIN Biotech's business model has evolved and was reorganized in 2024. The new integrated structure consists of two operating segments: **BRAINBiocatalysts**, which bundles technological expertise and infrastructure to provide enzyme solutions along the entire value chain, from discovery and development to industrial-scale production, and **BRAINBioIncubator**, which focuses on research-intensive development projects, particularly for the life sciences industry, turning scientific discoveries into market-ready solutions.

This integration of research and production capacities enables the development of innovative products and services from the laboratory to industrial-scale application. BRAIN Biotech continues to develop customized enzymes, proteins, optimized production strains, and fermentation processes to help customers produce their target molecules efficiently.

Work is ongoing to further refine the new operating model, including further defining sustainability measures, responsibilities, and formal policies. Full implementation in the coming year will focus on **integrating sustainability into all business areas** and fostering closer alignment and collaboration across our global sites.

Building on this evolved business model, BRAIN Biotech operates as a business-to-business (B2B) partner serving clients across Europe, North America, and selected global markets.

BRAIN Biotech organizes its operations around three primary go to market pillars - products, contract research (CRO), and contract development and manufacturing (CDMO) - leveraging a unified technology platform.

This approach enables it to serve customers from early-stage enzyme discovery through to industrial-scale production. Its product portfolio comprises approximately 600 enzyme specialties and microbial solutions, while contract services deliver tailor-made biotechnological processes that strengthen customer competitiveness. Production takes place at the company's European, UK, and U.S. facilities, including fermentation capacities that meet industrial-scale demand. Customers include leading food and beverage manufacturers, life science companies, and industrial partners seeking innovative ways to improve sustainability performance.

Strategic partnerships are a key element of BRAIN Biotech's business success. The company collaborates closely with customers, academic institutions, and venture-backed spinouts to accelerate commercialization and share innovation risks.

As of 2024/2025, notable partnerships include Pharvaris N.V., which licenses the drug candidate deucrictibant for treating hereditary angioedema, and Akribion Therapeutics GmbH, which holds exclusive rights to the G-dase® E genome-editing technology for therapeutic use. Through these collaborations, BRAIN Biotech leverages external expertise and capital while maintaining access to long-term royalty income and value participation. The company also holds a 34% stake in SolasCure Ltd., which develops the enzyme-based wound care product Aurase®. These relationships exemplify BRAIN Biotech's open-innovation model and its ability to monetize scientific breakthroughs sustainably.

Sustainability also plays a central role in the company's innovation pipeline and strategic direction. Through its proprietary MetXtra™ metagenomic platform, BRAIN Biotech identifies and engineers new enzymes that enable the replacement of petrochemical processes with biological alternatives. Innovations such as "Plug & Produce" microbial strains, biocatalytic recycling, and novel food applications directly contribute to a circular economy and the reduction of industrial emissions.

Two BRAINBioIncubator projects illustrate this approach: the BioGold™ initiative recovers precious metals from waste streams through microbial processes, and Aurase® represents a bio-based medical advancement with potential social and health benefits.

BRAIN Biotech's strategy thus integrates sustainability not as an add-on but as a defining characteristic of its business model. The company views sustainability as both a moral obligation and a competitive differentiator that drives innovation, market access, and stakeholder trust. Through its focus on biotechnology as a catalyst for transformation, BRAIN Biotech demonstrates how scientific excellence and sustainable entrepreneurship can jointly create long-term value for society, the environment, and shareholders.

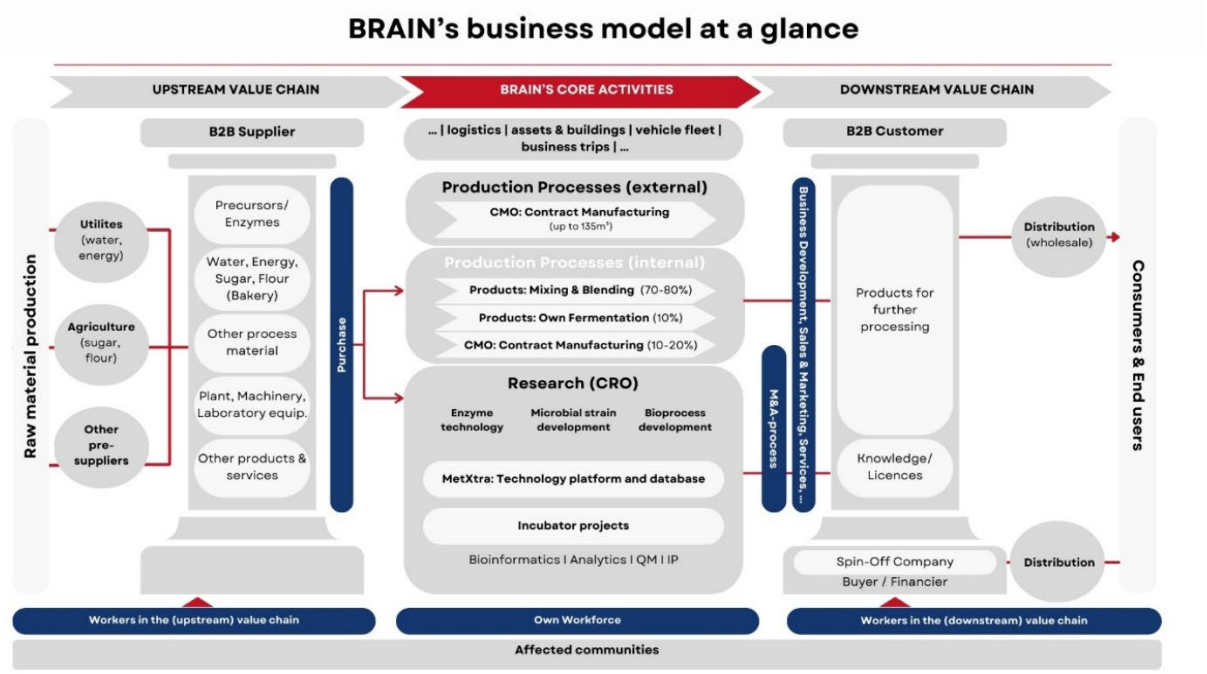


Figure 6: Business model at a glance. *This figure provides an overview of our business model at a glance, illustrating key processes and activities along the upstream value chain, the company's own operations, and the downstream value chain in a simplified representation.*

3.2.2 PRACTICES, POLICIES AND FUTURE INITIATIVES FOR TRANSITIONING TOWARDS A MORE SUSTAINABLE ECONOMY (B2, C2)

This section addresses disclosure requirements B2 (Basic Module) and C2 (Comprehensive Module) of the VSME standard and describes BRAIN Biotech's sustainability-related practices, policies, targets and future initiatives.

BRAIN Biotech has structured and embedded all sustainability topics in its integrated ESG strategy program, which is derived directly from the Double Materiality Assessment. Practices, Actions, Policies and Targets are structured along the six ESG focus areas.

Having completed both the comprehensive DMA and the strategic derivations for the six focus areas in 2025, while simultaneously preparing the first VSME report, a full transition plan is not yet in place, and not all fields of action currently have defined measures, policies, or targets. This framework, however, provides a robust foundation for the next phase of work, guiding efforts to actively implement the focus areas and translate strategic intent into tangible, measurable action.

Focus Area 1: BRAIN Impact

– Leveraging biotechnology for positive environmental and societal impact -

BEST PRACTICES: With our products and services in health, nutrition, and the environment, we strive to enable the transition towards more sustainable production and healthier, more sustainable diets.

In a study* that aimed to quantify the environmental benefits of using enzymes in three application areas based on a life cycle analysis, all examples led to a reduction in the environmental footprint. The reduction in climate change impact ranged from 27% for detergent enzymes (lower washing temperatures) to 9% for brewing enzymes (shorter malting processes) and 3% for baking enzymes (shorter baking times). According to the study, the resulting reduction in negative environmental impacts exceeds the additional footprint caused by enzyme production, as only very small amounts of enzyme products are required to achieve the intended effect.

FOCUSED ACTIONS: The incubator portfolio is actively managed through structured project selection, development milestones and continuous pipeline oversight, with a strategic focus on biotechnology-based solutions addressing environmental and societal challenges. We develop ongoing projects on food security and improved nutrition, such as the use of food side streams, natural preservatives, “milk without the cow,” and plant-based proteins. In the field of improving health and well-being, our activities focus on natural sweeteners, drug API development, and enzymatic wound care. To minimize pollutants in industrial processes, we advance technologies such as urban mining and battery recycling. Projects promoting sustainable industrialization explore CO_2 as a feedstock, enzymatic syntheses, and bio-lubricants. We also develop new techniques for precise gene editing, providing enabling technologies that are fast, accurate, and offer novel modes of action. Furthermore, our strain development projects aim at cost and resource reduction, process-tailored strains, and auxotrophic-based solutions to prevent antimicrobial resistance.

TARGETS and FUTURE INITIATIVES: The strategic targets of the focus areas “BRAIN Impact” and the incubator portfolio include the successful market introduction of impact products and services from the current incubator pipeline, along with the launch of additional high-impact products in the future. Ultimately, these efforts are expected to generate profitable growth through the realization of gains from incubator projects, strengthening our contribution to sustainable innovation and long-term value creation.

*De Caeve, B; Langeard, C.; Meuwissen, T.: “Environmental impact of enzymes in different applications”. RDC Environment for AMFEP (Association of manufacturers & formulators of enzyme products), November 2025

Focus Area 2: NetZero and Energy Usage

– Reducing our company carbon footprint –

BEST PRACTICES: To reduce the greenhouse gas (GHG) emissions associated with our services and production, energy efficiency, renewable energy sourcing and travel-related emission reduction are embedded as key operational levers within the Group’s decarbonization approach. In addition, we strive to continuously extend the use of renewable energies. These measures are in alignment with the overarching climate goals of the EU, our own sustainability target and the internal energy management frameworks.

FOCUSED ACTIONS: Our measures include switching to sustainable sourcing of primary energy (e.g. wind and solar power), renovating buildings, optimizing heating and cooling systems, and electrifying processes and transportation. The photovoltaic systems installed in Zwingenberg and Cardiff, which were connected to the grid in 2024, generate clean, renewable electricity on site and enable us to directly consume a substantial portion of our

energy demand. By producing energy locally, we reduce our reliance on external power sources and minimize the need for purchased electricity, thereby lowering our overall carbon footprint. We also promote innovation internally through an employee best-ideas contest targeting cost reduction, energy savings, and process optimization. In the financial year 2023/24 we carried out a tree-planting campaign in celebration of our employee anniversary. By planting traditional fruit tree varieties, we contribute to both climate protection and biodiversity conservation.

TARGETS: Our sustainability goals in this focus area are to reduce Scope 1 and Scope 2 GHG emissions by 30% relative to the base year FY 2021/22 revenue by 2032, and to achieve net-zero Scope 1 and Scope 2 emissions by 2050. Both targets are anchored in the long-term remuneration system of the Executive Board. Through these commitments, we strengthen our contribution to climate protection while enhancing operational efficiency and long-term resilience.

FUTURE INITIATIVES: We strive to increase the share of renewable energy in our purchased electricity and to explore further opportunities for expanding solar installations at our sites, thereby raising the proportion of self-produced energy. In the area of business travel, we continue to limit trips to what is strictly necessary and, wherever possible, rely on environmentally friendly public transport options. By progressively equipping most employees with mobile devices, we can prioritize digital meetings and reduce the need for physical travel. In building renovation, we continuously review our options to increase our independence from fossil fuels for heating and to improve insulation to reduce energy consumption. However, heritage protection requirements at our location in Zwingenberg and the fact that we are tenants in several of our buildings reduce the range of measures that can be implemented.

Focus Area 3: Water & Waste management

- Enhancing responsible resource use and foster circular economy -

BEST PRACTICES: Our strategic direction is focused on improving environmental performance. The overarching aim is to achieve measurable progress in water management and waste management, leading to a reduction in overall resource consumption. Within this focus area we also manage sustainability matters concerning potential pollution of air, water and soil, as well as conservation of biodiversity. Key policies and frameworks include our commitment to zero waste to landfill at the Cardiff manufacturing site, the implementation of ISO 14001 environmental management systems, and compliance with our environmental permit (UK).

FOCUSED ACTIONS: We implement a range of measures to minimize resource use and enhance circularity. Although we take site-specific processes into account at all locations, the greatest lever lies in the responsible management of water and other resources within production processes. Wherever possible, water is returned to the cycle, and in steam production we focus on condensate recovery. Water-saving measures are promoted among all employees and at the Zwingenberg site the irrigation system for outdoor areas has been converted to use water from an own well helping to conserve municipal resources (2024).

Waste separation is in place at most locations to return recyclable materials such as organic waste, glass, metal, and plastic packaging back into the cycle. Hazardous waste is minimized through intelligent process design, including Design of Experiment (DOI) in research, as well as continuous improvements and efficiency gains in production processes. Packaging materials used in shipping are replaced with biodegradable alternatives where possible. During procurement and production of liquid enzyme solutions, reusable IBC containers are used whenever possible. In addition, biomass from fermentation processes is redirected to a biogas facility, thereby contributing to the circular economy.

TARGETS: The primary objective is a recognizable improvement in water and waste management, resulting in reduced resource consumption and enhanced circularity across operations.

FUTURE INITIATIVES: Future activities will focus on further expanding recycling opportunities and reducing the use of plastic foils. We are assessing the recyclability of secondary packaging, such as plastic woven bags used in baking.

In addition, we are working on establishing a more robust data foundation for water consumption. To date, water use has been estimated based on product water content and wastewater generated in fermentation processes. In the future, consumption will be recorded more accurately, enabling us to identify additional opportunities for efficiency improvements and resource savings. We also plan to assess whether the water content in our products can be reduced by concentrating them. The feasibility of this approach must first be verified, ensuring that product performance and shelf life remain unaffected. If successful, this would provide a double benefit, as the reduced volume would also lead to lower CO_2 emissions during transportation.

Focus Area 4: Livable and Satisfying Employment

- Being a preferred place to work -

BEST PRACTICES: Employees are at the centre of everything we do. Employee satisfaction, health, and well-being are core elements of the Group´s people strategy and already firmly embedded in our comprehensive people strategy and corporate codex. As a research-driven organization, we benefit from a high level of expertise and a strong educational background among our workforces. Nevertheless, we face challenges in recruiting and retaining highly qualified specialists. To address this, we are implementing additional measures to further strengthen our employer brand and to remain, both today and in the future, a preferred place to work.

FOCUSED ACTIONS: To strengthen the health of our employees, we offer health programs that go beyond legal requirements, including additional examinations by the occupational physician and vaccination campaigns. We support employee fitness through initiatives such as “Job-Bike”, tailored food concepts, gym memberships, and by fostering team spirit through joint participation in local running events. All employees receive regular training in health and safety and accident prevention. In addition to standard operating procedures and mandatory safety instructions, we conduct routine inspections together with the Occupational Health and Safety team to identify and eliminate potential hazards. All incidents, including minor injuries that do not require reporting, are systematically documented to detect risk patterns and implement corrective measures. In the area of hygiene, we regularly monitor all laboratory and production facilities to ensure compliance with high safety and cleanliness standards.

We think diversity strengthens every team. Our workforce is evenly balanced between women and men, we exhibit a diverse age structure, and we actively support female career. We also employ expats from many different countries and support students, trainees, and interns in their education and their professional careers.

With our BRAINway program, we have developed a highly individualized and comprehensive training framework available to employees at all locations. This program not only aligns knowledge levels and communicates our vision and mission but also establishes the foundation for smooth collaboration and reinforces our corporate values. Tools and techniques for maintaining a healthy work-life balance are also integrated into the curriculum.

TARGETS: To further increase the proportion of women in management, we have set a dedicated sustainability target. Our aim is to achieve at least 30% women in managerial positions by 2032. To actively measure progress

and steer development toward this goal, we have implemented a new Group-wide job-role framework comprising seven job levels (2025). These levels are defined by responsibility and impact rather than by title alone. We sharpened our sustainability target to apply specifically to levels 2 and 3, which represent strategic and tactical leadership roles.

In the area of health and safety, our objective is to establish and maintain a Lost Time Injury Frequency Rate (LTFR) below 3 per one million hours worked until 2032. In 2025 we have already met this goal.

Both sustainability goals within this focus area are linked to the long-term remuneration system of the executive board, reinforcing their strategic relevance.

FUTURE INITIATIVES: We have decided to participate in the UN Global Compact “Target Gender Equality Accelerator” program in 2025 to underscore the importance of this topic. Through this initiative, we aim to derive targeted measures that will enable us to better support women throughout their career paths.

By continuing our BRAINway program (BRAINway 2.0), we seek to provide a high-quality training opportunity for all employees and to promote lifelong learning across the organisation. We are currently evaluating the possibility of holding a third edition of the program, BRAINway 3.0, which would include topics such as diversity, mental health, and female empowerment.

Focus Area 5: Supply Chain Excellence

– Establishing robust and trustworthy business relationships -

BEST PRACTICES: In this focus area our overarching objective is to build and maintain trustworthy and long-lasting business relationships, both upstream and downstream of our value chain. To remain a reliable partner for our own customers, we ensure that the raw materials we purchase meet the required quality standards and are available in a dependable manner, thereby preventing production bottlenecks. Our inventory management complies with established industry norms and best practices, enabling us to maintain consistent supply levels and support uninterrupted production. By safeguarding material quality and availability, and by adhering to recognized logistics and storage standards, we strengthen the robustness of our operations and reinforce the trust our customers place in us.

FOCUSED ACTIONS: We apply our Supply Chain Standards, which include a four-step supplier evaluation process. The process comprises a supplier questionnaire designed to verify compliance with ethical standards and relevant certifications, followed by financial due diligence and risk assessments. Where necessary, follow-up actions are implemented, and key performance indicators (KPIs) are established in line with company policies. Through this approach, the Group actively engages with suppliers that meet its ethical, environmental, and quality standards.

In addition, the Group strengthens supplier collaboration by building long-term, sustainable partnerships that support reliable material flows, consistent quality, ethical sourcing, and effective risk management. Furthermore, Sales and Operations Planning (S&OP) is used to align supply and demand, ensuring that production schedules, inventory levels, and demand forecasts are managed efficiently while minimizing environmental impact and supporting responsible business practices. We are also acting responsibly as a customer. This includes honoring reliable payment terms and demonstrating transparency and fairness in our interactions. At the same time, we strive

to be a strong and dependable supply chain partner, contributing positively to the resilience and sustainability of our value chain.

TARGETS: Key performance indicators (KPIs) are established to monitor on-time, in-full deliveries, with a target of over 90% for all suppliers. For any supplier consistently falling short of this target, meetings are arranged to discuss the issues and collaboratively implement improvement measures, ensuring alignment with our quality, ethical, and operational standards.

FUTURE INITIATIVES: By fostering cooperation, mutual trust, and consistent performance, we aim to create stable partnerships that support both our business objectives and the long-term sustainability of our suppliers. We will have improved and ongoing tracking of supplier performance, risk assessments and certification renewals to make sure we are actively focused on our supply chain to highlight any changes to markets or risk.

Focus Area 6: Regulatory Excellence

– Safeguarding strong business ethics and stakeholder satisfaction -

BEST PRACTICES: We build and maintain strong corporate governance as a fundamental element of our business. Being a responsible employer and a reliable, trustworthy business partner is part of our corporate DNA. The Group is committed to high standards of corporate governance and compliance, supported by established governance structures and internal control systems. In sustainability reporting, we adhere to mandatory legal requirements and voluntary frameworks such as the VSME and ESG datasheet. Our membership in the UN Global Compact underscores our commitment to the SDGs, which we reaffirm annually through our Communication on Progress (COP).

FOCUSED ACTIONS AND POLICIES: BRAIN Biotech supports the targets and principles of the German Corporate Governance Code (DCGK) and publishes an annual statement of conformity as well as a declaration of Corporate Governance. The management and supervisory boards as well as the further management levels and employees are obligated to adhere to these principles of responsible corporate governance. In relation to the publication of annual and interim reports, BRAIN Biotech complies with statutory regulations as well as the Prime Standard stock exchange regulations of the Frankfurt Stock Exchange.

BRAIN Biotech applies a strict four-eye principle to all material documents, payments, and corporate communications. Efficient internal compliance systems and financial controlling mechanisms operate throughout the Group. Mandatory guidelines such as the BRAIN Financial Framework and BRAIN Red Book ensure consistent processes across all subsidiaries. A trained internal legal officer, experts in genetic safety and infection control, specialists in chemical safety and occupational health and safety, as well as an external data protection officer together ensure that regulatory requirements across all relevant areas are complied with, properly documented, and continuously kept up to date in line with current standards and regulations. Initial and ongoing training of this personnel is continuously ensured. Every subsidiary operates whistleblowing processes tailored to its technical environment, offering open, anonymous, and retaliation-free reporting channels.

TARGETS: We aim for zero fines or penalties resulting from compliance violations, reflecting our ambition for regulatory excellence and a culture of integrity. This sustainability goal is also linked to the long-term remuneration system of the executive board.

FUTURE INITIATIVES: Going forward, we will further integrate ESG-related topics into corporate strategy, risk management, procurement, and decision-making processes. We plan to implement a group-wide Code of Conduct that will unify and visibly strengthen our values and guiding principles. We will further expand training programs for all employees to ensure secure, productive, and compliant ways of working, with a particular focus on the responsible use of artificial intelligence and on cybersecurity. In addition, we aim to strengthen communication and awareness-raising activities related to grievance and complaints mechanisms, enabling all employees to effectively access and use these tools. Furthermore, we are currently assessing opportunities for targeted training initiatives tailored to specific employee groups, to address role-specific compliance risks and requirements more effectively. In the field of reporting, we closely monitor political and regulatory developments and proactively prepare for upcoming changes. This enables us to implement necessary adjustments in a focused and efficient manner. For example, we systematically align our processes with emerging requirements such as the Corporate Sustainability Reporting Directive (CSRD), ensuring that our reporting remains compliant, transparent, and future-ready

4. Environmental

4.1 Energy and greenhouse gas emissions (B3)

Energy consumption and greenhouse gas (GHG) emissions are key materiality topics for BRAIN Biotech AG, particularly in the context of climate change mitigation, net-zero ambitions and energy efficiency. As a biotechnology company with research, development and production activities, BRAIN Biotech AG generates greenhouse gas emissions from its internal operations and, to a lesser extent, along its value chain, resulting in negative environmental impacts related to energy use and emissions.

Certain activities are associated with energy-intensive laboratory and production processes, leading to increased energy demand and corresponding Scope 1 and Scope 2 emissions. At the same time, we contribute to positive climate impacts by developing and applying bio-based processes and solutions that enable customers and partners to reduce greenhouse gas emissions compared to conventional fossil-based alternatives (BRAIN Impact).

In line with our DMA and the VSME Basic Module, this section discloses BRAIN Biotech AG's total energy consumption in megawatt hours (MWh), based on available and reliable data, with a breakdown by electricity and fuels and, where feasible, by renewable and non-renewable energy sources. This information supports the assessment of energy usage, efficiency and exposure to climate-related impacts.

Furthermore, we report our estimated gross greenhouse gas emissions in accordance with the GHG Protocol Corporate Standard, covering Scope 1 emissions from owned or controlled sources Scope 2 emissions from purchased energy. These disclosures provide transparency on the company's direct and energy-related indirect climate impacts.

BRAIN Biotech AG also recognises climate-related risks within its supply chain, including potential raw material supply disruptions due to climate change, which may affect operational continuity and cost structures. To support our journey to net zero and make our progress visible, we report our GHG intensity relative to turnover, providing a clear basis for comparability. All disclosures reflect the proportional approach of the VSME standard and are expected to be further refined as data availability and internal processes continue to develop.

4.1.1 TOTAL ENERGY CONSUMPTION

Total Energy Consumption	Renewable Energy [MWh]	Non-renewable Energy [MWh]	Total Energy Consumption [MWh]
Electricity	899.13	2,179.77	3,078.91
Fuels	0.00	2,2298.96	2,2298.96
Total	899.12	4,4478.73	5,377.86

Conversion factors for heating values	
Oil and Diesel	0.01MWh/Liter
Gas	0.01MWh/m3

During the reporting period, BRAIN Biotech recorded at total energy consumption of 5,378 MWh.

Electricity accounted for 3,079 MWh, reflecting the energy demand of laboratory, research and production activities.

2,299 MWh were attributable to fuels used primarily for thermal energy generation and operational processes.

4.1.2 GREENHOUSE GAS EMISSIONS (GHG EMISSIONS IN TCO_2E) IN SCOPE 1 AND SCOPE 2

The calculation of greenhouse gas emissions covers all sites under the operational control of the BRAIN Biotech Group (control approach in accordance with the Greenhouse Gas Protocol, GHG Protocol) and is determined based on the principle of “activity data × emission factor.”

As CO_2 and other greenhouse gases, such as

- Methane (CH_4)
- Nitrous oxide (N_2O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulfur hexafluoride (SF_6)
- Nitrogen trifluoride (NF_3)

have different global warming potentials (GWP), the differences between them being taken into account through the use of emission factors. Global warming potential is a measure of how much a gas warms the Earth over a given period compared to CO2. Emissions are therefore reported in tonnes of CO_2 equivalents (t CO_2e). Wherever possible, the market-based approach was applied, using the specific emission factors, calorific values, and energy mix compositions of the respective energy suppliers. Where such factors were not available, the location-based approach was additionally applied. In these cases, the emission factors used were sourced from the

German Environment Agency (Umweltbundesamt, UBA, 2023) and the CO_2 calculator of the Information Centre for Environment and Business (IZU) of the Bavarian State Office for the Environment (version 2024).

BRAIN Biotech AG has not yet implemented Scope 3 emissions calculations, primarily due to challenges related to data availability and the current lack of regulatory obligation. For economic reasons, this has been decided for the time being, although future assessments may be considered as data quality and resources allow.

Scope 1 und 2 GHG-Emissions in tCO_2e

Scope 1 (t CO2e)		Scope 2 (t CO2e)	
Mobility	5.73	Electricity market-based	548.90
Oil	53.49	Electricity location-based	431.72
Gas	542.35	Self-generated electricity	0.00
Total	**601.57**	**Total**	**980.62**

Greenhouse gas emissions in Scope 1 and 2 totalled 1,582.19 t CO2e in the reporting period.

Infobox: Emission Factors

Heating Oil	3.120 kg CO2e/liter
Gas	0.257 kg CO2e/kWh
Diesel	3.410 kg CO2e/liter
Electricity	0.155 - 0.466 kg CO2e/kWh, depending on supplier

Scope 1, energy consumption preliminary for heat

Most locations use natural gas for heating. At the Zwingenberg site, one of the two buildings is heated with heating oil. Owing to heritage conservation requirements, a transition is currently not economically viable. Nevertheless, we continuously assess potential alternatives and are working towards a long-term solution powered by renewable electricity.

At the Cardiff site (UK) the heating process is also largely related to steam generation for the large-scale fermenter. At the site in Tampa (USA), no heating is required throughout the year.

Infobox: Mobility, changes to previous years

Vehicles that are leased on an operational basis are not owned by the company and are therefore not accounted for under Scope 1. Emissions resulting from their use are assigned to Scope 3, category “Upstream Leasing,” in accordance with common reporting standards (GHG Protocol).

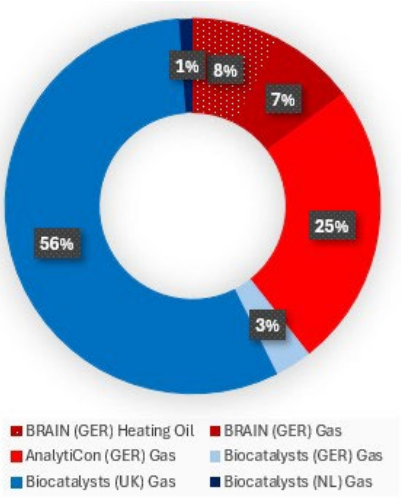


Figure 7: Scope 1, distribution across sites. *This figure shows the distribution of energy consumption in scope 1 preliminary for heat throughout the BRAIN Biotech Group.*

Scope 2, energy consumption for electricity

The Group's highest electricity consumption is attributable to the Cardiff site (UK), where energy-intensive activities such as large-scale fermentation and industrial production processes are conducted. At this site, a limited number of processes account for a significant share of total electricity demand.

Research and development facilities also contribute materially to the Group's electricity consumption. This is primarily driven by the operation of numerous small-scale devices and laboratory processes with low individual electricity demand, which cumulatively result in a relevant level of consumption.

Cooling requirements constitute a major driver of electricity consumption across all sites. Electricity is used for the cooling and storage of chemicals, throughout production processes, and for the storage of finished products. In addition, heating, ventilation and air conditioning (HVAC) systems contribute to electricity demand across the Group's facilities.

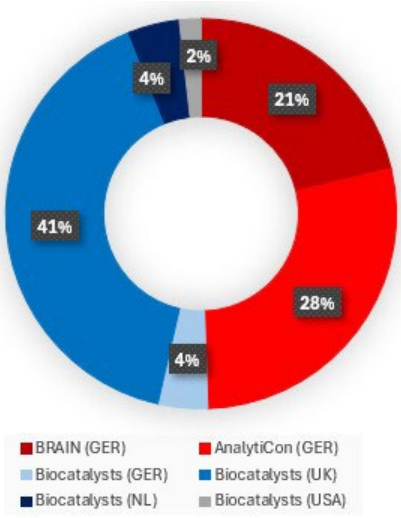


Figure 8: Scope 2, distribution across sites. *The figure shows the distribution of electricity consumption in Scope 2 throughout the BRAIN Biotech Group. Both production sites and research facilities Consumption is roughly evenly split between production and research. In both cases, cooling represents a major share of the consumption.*

Electricity mix, distrubution of sources

The group-wide consolidation of the electricity mix was carried out using the electricity compositions provided by the energy suppliers. Self-generated electricity from our solar installations in Zwingenberg and Cardiff, which were connected only midway through the reporting period, was also included. The composition highlights the importance of a gradual transition towards lower-carbon energy sources both through improvements in energy efficiency and by switching to electricity suppliers with a higher share of renewable energy. We are committed to increasing the share of self-generated solar energy across the Group.

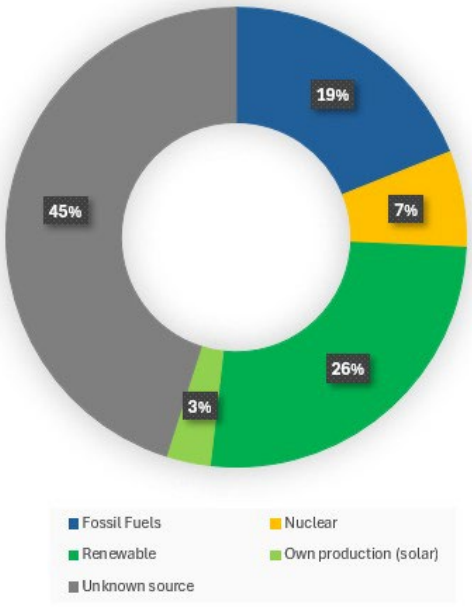


Figure 9: BRAIN Biotech Group Electricity Mix. *This figure illustrates the different sources of consumed electricity throughout the BRAIN Biotech Group in the reporting period.*

4.2 GHG reduction targets and climate transition (C3)

In this chapter, we outline our progress on the path toward achieving net-zero greenhouse gas emissions in Scope 1 and Scope 2 by 2050. We use the financial year 2021/22 as our base year, as this was the first year in which reliable and consistent data for Scope 1 and Scope 2 emissions were systematically collected. While initial calculations were conducted in earlier years, these data are not considered sufficiently comparable due to differing calculation methodologies.

BRAIN Biotech does not operate in a sector with high climate impact. Nevertheless, climate protection is regarded as a key component of our sustainability strategy.

4.2.1 REDUCTION TARGET IN SCOPE 1 AND SCOPE 2

As part of our medium- to long-term sustainability objectives, we have set a target to reduce Scope 1 and Scope 2 greenhouse gas emissions by 30% by 2032, based on a comparable revenue base. Using the financial year 2021/22 as our baseline, the GHG intensity was 40.34. To achieve the 30% reduction, the intensity must decrease to approximately 28.2 by 2032.

Our long-term ambition is to achieve net-zero greenhouse gas emissions by 2050.

To ensure accountability and effective governance, the achievement of this target is integrated into the long-term variable remuneration of the Executive Board.

	GHG Intensity* [tCO_2e/Euro 1 million in revenue]
Target year 2050 (FY 2049/50)	0 (NetZero)
Midterm target year 2032 (FY 2031/32)	28,24
Base year 2022 (FY 2021/22)	40,34

* The GHG intensity values are calculated on a revenue-normalized basis to ensure comparability over time, considering both organic growth and structural changes in the business.

4.2.2 REDUCTION OF GREEN HOUSE GASES

Based on the base year FY 21/22	**Share Reduction FY23/24 [%]**
Scope 1	12
Scope 2	36

Scope 1+2	**GHG intensity [tCO_2e/EUR 1 million in revenue]**	**Reduction achieved compared to the previous year [%]**
FJ 2021/22 (Basis)	40,34	0 (Basis)
FJ 2022/23	34,47	14,54
FJ 2023/24	28,98	15,93
Reduction total	11,36	**28,17**

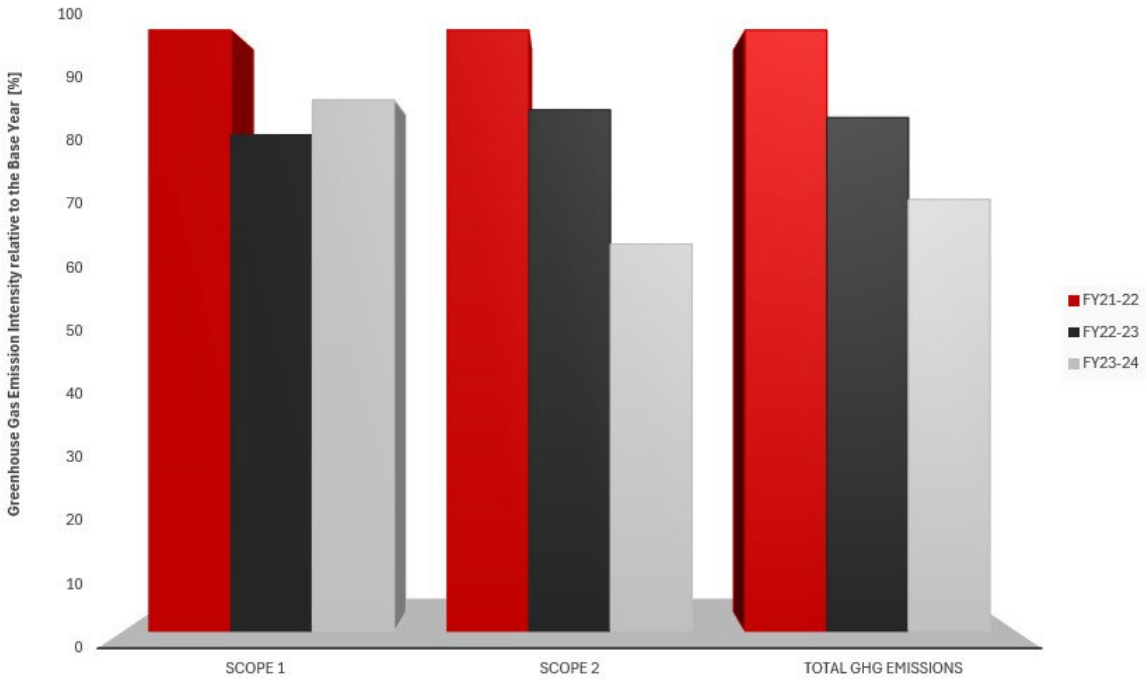


Figure 10: Scope 1 & Scope 2 GHG emissions reduction compared to base year on a revenue-normalized basis, compared to the base year FY 2021/22.

Based on the base year FY 2021/22 (first-time data collection), we have already achieved a reduction in greenhouse gas emissions of around **12% in Scope 1 and 36% in Scope 2** – in each case at a comparable revenue level.

Overall, this results in a **total reduction of around 28%,** an important step toward achieving our NetZero sustainability goal by 2050.

Scope 1 emissions are subject to natural, weather-related fluctuations, such as the length of the heating season. However, our significant reduction in Scope 2 emissions clearly shows that the measures implemented since then are already having a noticeable effect. Particularly noteworthy here are:

- **the commissioning of photovoltaic systems** at the Cardiff and Zwingenberg sites (2024, Figure 11)
- the replacement of **lighting systems** at the Zwingenberg site (2024)
- the reorganization and shutdown of **cooling equipment** at the Zwingenberg site (2023)
- and the purchase of **electricity with a higher proportion of renewable energies** at the Cardiff site (2024)

Figure 11: Part of the photovoltaic system, installed 2024 at the Zwingenberg site in Germany

4.3 Climate risks (C4)

BRAIN Biotech AG has identified climate-related physical risks and climate-related transition risks that may give rise to gross climate-related risks for the undertaking. These risks were identified as part of the group-wide Climate Risk Analysis and are reflected in the climate-related risks and opportunities (IROs) disclosed in the sustainability report. The assessment was conducted in accordance with the requirements of ESRS E1 and follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

4.3.1 CLIMATE SCENARIOS (IPCC SSP FRAMEWORK)

The climate risk analysis is based on the **Shared Socioeconomic Pathways (SSPs)** developed by the Intergovernmental Panel on Climate Change (IPCC). SSPs describe plausible future developments of society, the economy, and technology and are combined with different greenhouse gas emission trajectories to assess climate-related risks under varying global conditions.

To ensure a robust and forward-looking assessment, BRAIN Biotech applied two contrasting IPCC scenarios:

- **SSP5-8.5 – "Fossil-Fuelled Development Path" (physical risk scenario):**
  This scenario assumes continued reliance on fossil fuels, high energy demand, and limited climate policy action. Greenhouse gas emissions increase throughout the century, leading to a global temperature rise of more than 4°C by 2100. As a result, the frequency and severity of extreme weather events such as heatwaves, heavy rainfall, droughts, and flooding increase significantly. This scenario was used to assess **physical climate risks** to BRAIN Biotechs operations and value chain.

- **SSP1-1.9 / SSP1-2.6 – "Sustainable Development Path" (transition risk scenario):**
  This scenario assumes ambitious global climate policies aimed at limiting global warming to 1.5 - 2 °C. It is characterised by rapid decarbonisation, expansion of renewable energy, technological innovation, and changes in consumer and market behaviour towards sustainability. While physical climate impacts are more moderate, this scenario entails **transition risks** arising from regulatory tightening, technological change, and shifting market expectations.

These scenarios were applied to BRAIN Biotech AG's own operations in Germany, the Netherlands, the United Kingdom, and the United States, as well as to relevant parts of the value chain, particularly within Europe.

4.3.2 IDENTIFIED CLIMATE-RELATED HAZARDS AND TRANSITION EVENTS

a. Under the SSP5-8.5 scenario, the following **physical climate hazards** were identified as relevant:

- Increasing average temperatures and more frequent heatwaves, potentially affecting employee health, laboratory conditions, and energy demand for cooling
- Increased heavy precipitation and altered rainfall patterns, raising flood and business interruption risks at selected sites, particularly in Potsdam (Germany) and Nieuwkuijk (Netherlands)
- Periods of drought and increasing water scarcity, potentially constraining water-intensive biotechnological processes

b. Under the SSP1-1.9 / SSP1-2.6 scenario, the following **climate-related transition events** were identified:

- Stricter climate and energy regulation, including carbon pricing and enhanced reporting requirements
- Technological change towards lower-emission and more energy-efficient production processes
- Market and reputational pressures driven by growing demand for sustainable products and solutions

These hazards and transition events are reflected in the climate-related IROs disclosed in the sustainability report and classified as physical and transition risks in accordance with ESRS E1.

4.3.3 EXPOSURE AND SENSITIVITY OF ASSETS, ACTIVITIES AND VALUE CHAIN

BRAIN Biotech assessed the exposure and sensitivity of its assets, activities, and value chain using a qualitative, scenario-based approach. The assessment considered:

- Energy- and climate-sensitive laboratory and production activities requiring stable environmental conditions
- Site-specific exposure to heat stress and flooding based on regional climate projections and official risk maps
- Dependence on reliable water availability for fermentation and purification processes

- Exposure to energy price developments and regulatory changes affecting operating costs
- Value chain dependencies, particularly energy supply, logistics, and availability of critical raw materials

The assessment integrates regional climate data, European climate risk analyses, and expert judgement to ensure a consistent and reproducible evaluation.

4.3.4 TIME HORIZONS

Climate-related risks were assessed across three-time horizons, consistent with ESRS requirements and the Group's risk management framework:

- **Short-term (up to 1 year):** Energy price volatility, short-term regulatory impacts, and isolated extreme weather events
- **Medium-term (1 - 5 years):** Increasing frequency of heatwaves and heavy rainfall, rising compliance and adaptation costs, and accelerating transition dynamics
- **Long-term (beyond 5 years):** Chronic physical climate impacts under high-emission pathways and structural changes in energy systems and markets

4.3.5 CLIMATE CHANGE ADAPTATION AND MITIGATION ACTIONS

BRAIN Biotech has implemented initial measures to address climate-related risks, primarily focused on transition risk mitigation. These include energy efficiency measures, monitoring of energy consumption and emissions, and the evaluation of alternative technologies and process optimisations. Existing facility management, occupational health and safety, and business continuity measures contribute to resilience against identified physical climate hazards.

Additional site-specific climate adaptation measures, particularly in relation to water management and infrastructure resilience, are under evaluation and will be further developed based on ongoing risk monitoring and future assessments.

4.3.6 POTENTIAL ADVERSE EFFECTS AND RISK LEVEL ASSESSMENT

The identified climate-related risks may adversely affect BRAIN Biotech's financial performance and business operations, primarily through increased operating costs, higher capital expenditure requirements, and potential temporary business interruptions. Based on the current assessment:

- Physical climate risks are assessed as low to medium, with relevance increasing in the medium to long term under high emission scenarios.
- Transition climate risks are assessed as medium, reflecting regulatory, technological, and market developments in the short to medium term.

BRAIN Biotech will continue to monitor climate-related risks and integrate the findings into its strategic planning, risk management, and sustainability governance processes.

4.4 Pollution of air, water, and soil (B4)

Our research and production are carried out exclusively in Europe, the UK, and the USA, ensuring compliance with already strict local environmental regulations. Our employees are properly trained in the handling of chemicals and hazardous substances to prevent accidents. Our sites consistently operate with very limited pollutant emissions while chemical storage and disposal are strictly managed. Implementing air filtration, regular water monitoring, and the reuse of fermentation residues for biogas highlights our commitment to environmental responsibility and sustainability.

As part of the DMA framework, we voluntarily conducted a comprehensive LEAP analysis (Locate-Evaluate-Assess-Prepare) to identify all nature-related interfaces of our business activities, detect potential contaminants and substances of concern, and, where necessary, implement appropriate mitigation measures.

4.4.1 RESEARCH FACILITIES: ZWINGENBERG (GER) AND POTSDAM (GER)

No specific emissions-related reporting obligations apply to these operations beyond standard regulatory requirements. Only non-material quantities of potential pollutants are generated.

Air: No material or specific emissions released. Exhaust from laboratory fume hoods is extremely limited and considered negligible.

Water: Wastewater is discharged into the public sewage system and complies with all limits. Minor amounts of chemicals (alcohols, solvents, acids, and bases) from laboratory operations are sufficiently diluted and considered negligible.

Soil: No material release of pollutants into the soil identified. Chemicals are stored properly to prevent accidents or leaks. Disposal is conducted via certified waste contractors.

4.4.2 PRODUCTION SITE CARDIFF (UK): FERMENTATION, WET-BLENDING, POWDER-BLENDING

Low Impact Installation Environmental permit is in place; an annual review and audit is conducted. All relevant data are reported to authorities.

Air: Mainly O_2/CO_2, with possible trace amounts of ammonia and methanol. Regular measurements and inspections are performed. Exhaust from powder blending is filtered to prevent release of dust.

Water: Site is working on a discharge consent; wastewater is discharged into the local sewage system and closely monitored. Composition: organic material from fermentation, diluted nutrient solutions, cleaning agents,

and small amounts of salts, alcohols, acids, and bases. Cell residues from fermentation are separated and sent to a local biogas plant to support the circular economy.

Soil: No material release of pollutants into the soil identified. Chemical storage and disposal follow strict safety standards to prevent any leakage.

4.4.3 PRODUCTION SITE BÜTTELBORN (GER): WET-BLENDING

No specific emissions-related reporting obligations apply to this site beyond standard regulatory requirements. Only insignificant quantities of potential pollutants are generated,

Air: No material emissions of pollutants identified.

Water: Wastewater is discharged into the public sewage system and complies with all limits.

Soil: No material release of pollutants into the soil identified. Chemicals are stored properly to prevent accidents or leaks. Disposal is conducted via certified waste contractors.

4.4.4 PRODUCTION SITE NIEUWKUIJK (NL): POWDER-BLENDING

No specific emissions-related reporting obligations apply to this site beyond standard regulatory requirements. Only insignificant quantities of potential pollutants are generated.

Air: No material emissions of pollutants. Exhaust from powder blending is filtered to prevent release of dust.

Water: Wastewater is discharged into the public sewage system and complies with all limits.

Soil: No release of pollutants into the soil identified. Chemicals are stored properly to prevent accidents or leaks. Disposal is conducted via certified waste contractors.

4.5 Biodiversity (B5)

4.5.1 ASSESSEMENTS CONDUCTED

As part of the Double Materiality Assessment (DMA), we conducted a systematic evaluation of biodiversity-related topics. This process included comprehensive, **site-specific risk and impact assessments**, complemented by the application of a LEAP analysis (Locate-Evaluate-Assess-Prepare). The purpose of these activities was to identify potential interfaces between our operational activities and the environmental media water, air, and soil, as well as to determine possible effects on biodiversity and ecosystem integrity.

The assessment confirmed that none of our facilities are situated in areas directly linked to highly protected ecosystems or within officially designated nature conservation zones. Nevertheless, several sites are located in

proximity to semi-natural habitats such as woodlands, agricultural landscapes, and local recreation areas, which serve as important living spaces for regional plant and animal species.

Recognizing the ecological value of these environments, we consider their conservation a responsibility and integrate this commitment into our operational management. Accordingly, our processes and facilities are designed and continuously reviewed to prevent or minimize potential environmental burdens, thereby safeguarding local ecosystems and contributing to the preservation of biodiversity.

4.5.2 BIOPROSPECTING PROCESS IN R&D

In our research, we leverage the genetic diversity and enzymatic capabilities of microorganisms to develop innovative biotechnological solutions. To do this, we carefully collect small-volume samples (from milliliters and grams to liters and kilograms) from natural habitats such as soil, plant material, or water. These environments provide the conditions needed to analyze the metagenome of the microbial communities. The metagenome refers to the complete genetic information of all microorganisms in a sample, providing insights into their characteristics and potential capabilities.

For the **biosampling process**, we have implemented strict guidelines to ensure that all **activities are conducted legally and ecologically responsibly**:

- Compliance with the Nagoya Protocol: This international agreement regulates the use of genetic resources, ensuring that the origin of samples is respected and that benefits are shared fairly.
- Protection of sensitive environments: Sampling is carried out with full consideration of protected areas, rare habitats, and endangered species.
- Minimization of environmental impact: We take care to avoid damage to or disturbance of natural habitats.
- We precisely document the geographic data, date and time of the sample process and additional information of each sample in a central database.
- We ensure proper disposal of the collected material to prevent unintentional release or proliferation of microorganisms into other habitats (“alien-species”).

Through these measures, our biosampling is conducted in a safe, sustainable, and compliant manner, while generating valuable insights into microbial diversity that serve as a foundation for biotechnological innovation.

4.5.3 LAND-USE AND SITE-DESIGN

With a total land use of 2.7 hectares, the BRAIN Biotech Group’s geographical footprint is relatively small compared to market peers. We use only the land necessary to minimize our environmental impact and maintain a reasonable infrastructure footprint.

The Potsdam (AnalytiCon, GER) and Zwingenberg (BRAIN Biotech, GER) sites feature nature-oriented outdoor areas with green spaces, trees, and shrubs. These areas support the preservation of microhabitats, the natural

circulation of rainwater, and provide spaces for employee relaxation. At our site in Büttelborn (Biocatalysts GER) there is also a partially greened roof area, contributing to biodiversity, improved building insulation, and storm-water management.

Location	Sealed area [ha]	Unsealed area [ha]	Total area [ha]	Nature-oriented area on-site [ha]	Nature-oriented area off-site [ha]
GER Zwingenberg	0,175	0,375	0,550	0,000	0,000
GER Potsdam	0,155	0,365	0,520	0,365	0,000
GER Büttelborn	0,610	0,173	0,783	0,000	0,000
UK Cardiff	0,700	0,000	0,700	0,000	0,000
NL Nieuwkuijk	0,070	0,098	0,168	0,000	0,000
USA Tampa	n/a	n/a	n/a	n/a	n/a
BRAIN Biotech Group	**1,710**	**1,011**	**2,721**	**0,365**	**0,000**

The table shows the BRAIN Biotech Group's land use, including the distribution of sealed and unsealed areas across individual sites and the Potsdam, Germany site's nature-oriented area share.

4.6 Water (B6)

Water is a vital resource for our operations and across our upstream value chain, and it represents a key dependency and potential risk for our business. In the supply chain, water is required to produce the raw materials that feed into our processes, including agricultural products such as sugar and flour, as well as process chemicals and pre-enzymes. Within our own facilities, most of the water is consumed in the preparation of enzyme solutions through wet blending and in fermentation processes, with additional needs for cleaning, steam generation, filtration, and downstream purification. Water use in our research and office units is comparatively low.

Recognizing water as both a critical input and a potential risk, we have conducted detailed site-specific analyses as part of our DMA to understand our impacts on and dependencies on local water resources. Detailed **water risk analyses** were carried out for all sites, including an investigation of **the impact on relevant river and marine ecosystems.** These assessments allow us to monitor and manage any potential exposure to water stress. Currently, **none of our sites are located in regions facing water scarcity**.

4.6.1 WATER WITHDRAWAL

In the fiscal year 2023/24, the BRAIN Biotech Group's total water withdrawal amounted to 20.15 megaliters (20,150 m^3).

Water withdrawal	**Volume [m^3]**
Total	20,150.000
From municipal supply	20,133.000
From own groundwell	17.000
From regions with water stress	0.000

We source all water from the corresponding local municipal supply. At the Zwingenberg site (BRAIN GER), a company's own groundwater well is used for the irrigation of green spaces, which corresponds to approximately 1% of the water withdrawn at this site.

Water consumption from the public water supply is determined on the basis of water bills or water meters.

The main withdrawals took place at the production sites in Cardiff (Biocatalysts UK, fermentation and wet blending) and Büttelborn (Biocatalysts GER, wet blending). In line with the processes carried out there, a significant proportion of the water is used in products or product-related processes (e.g., cleaning and filtration processes).

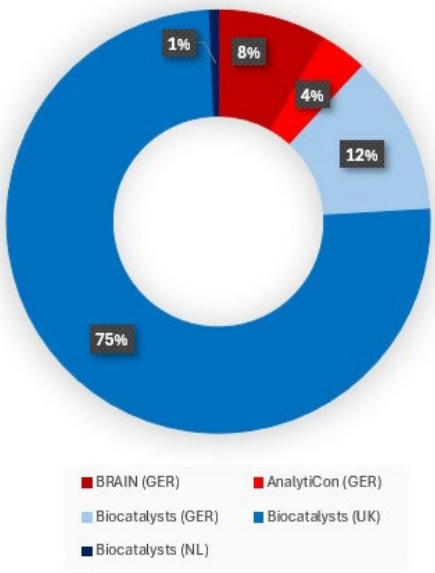


Figure 12: Water withdrawal across the Group. *This figure shows water withdrawal distributed by operation sites.*

4.6.2 WATER CONSUMPTION

Water withdrawal refers to the amount of water a company takes from the water cycle, i.e., municipal water supplies or other sources, such as groundwater, lakes, rivers, and reservoirs.

Water consumption refers to the amount of water that does not return to the water cycle, either because it evaporates or because it becomes bound in products.

While we can calculate our water withdrawals very accurately based on meters and bills, we currently do not have a reliable data basis to provide a robust figure for water consumption. Not all sites levy wastewater charges based on actual measured volumes. As a result, a reliable estimate of the amount of water returned to the water cycle is currently only possible to a limited extent. Our current assumptions regarding water consumption are based on extrapolations of water incorporated into products; additionally, the wastewater generated during fermentation processes provides further insights into water use. We are working to improve these estimates in the future.

At the research sites Potsdam (Analyticon GER) and Zwingenberg (BRAIN GER), it can be assumed that nearly 100% of the withdrawn water is returned to the water cycle as wastewater (local sewage) which equals zero consumption. The share lost through evaporation due to steam production or other processes is considered insignificant.

In the production of liquid enzyme formulations, approximately 5% of the water withdrawn at the Büttelborn site (Biocatalysts GER) and approximately 0.3% at the Cardiff site (Biocatalysts UK) was used directly in products.

Approximately 47% of the water withdrawn at the Cardiff site (Biocatalysts UK) was directly or indirectly used for fermentation processes.

4.7 Resource use, circular economy and waste management (B7)

In this chapter, we present an overview of our material and waste streams, highlighting their composition and the proportions that are recovered or redirected back into the circular economy. By providing this insight, we aim to demonstrate how our waste management practices contribute to resource efficiency, support recycling and reuse initiatives, and align with our broader sustainability objectives.

4.7.1 MATERIAL MASS-FLOWS

Besides water and energy, our primary input material streams are raw materials used in production, including sugar, flour, process and cleaning chemicals, and packaging materials. These represent the core materials that enter our operational processes and have the largest volume in terms of consumption and potential waste.

In the research and development area, we handle both chemicals and a substantial equipment and instrumentation park. Here, the material flows include electronics as well as fundamental materials such as metals, plastics, and glass, reflecting the diverse nature of R&D activities and the associated waste streams.

In the office environment, material streams are dominated by electronics and paper used for reporting and documentation purposes. These flows, while smaller in volume compared to production or R&D, are still an important part of our overall waste profile and recycling initiatives.

Looking ahead, we plan to further break down these material flows to gain a more granular understanding of their composition, usage, and end-of-life pathways. This will enable us to identify additional opportunities for waste reduction, recycling, and circularity, and to implement more targeted measures that enhance resource efficiency across all areas of our operations.

4.7.2 DATAQUALITY AND IMPROVEMENTS IN WASTE MANAGEMENT

In the 2023/24 reporting year, the Group made substantial progress in waste management, setting new standards for data quality, transparency, and consistency. For the first time, all waste streams were classified according to uniform waste categories, supported by harmonized conversion factors applied across all sites. These measures exceed the VSME requirements for waste reporting, ensuring reliable and comparable data across the organization.

Waste data collection relies on disposal records, weighing data, and waste invoices. In cases where exact weights were unavailable, plausibility checks were conducted using container volumes, documented collection intervals, and predefined waste density factors.

Beyond compliance, the Group is leveraging enhanced data granularity as a strategic tool. Detailed insights into waste composition allow for the identification of targeted reduction measures and more efficient resource use, turning waste data into actionable opportunities. This approach directly supports “Focus area 3: Water and Waste management” and contributes to the measurable reduction of the Group’s environmental footprint.

Through these efforts, waste management has become a strategically impactful function, driving continuous improvement and sustainable resource management across the organization.

4.7.3 CONTRIBUTION TO THE CIRCULAR ECONOMY

Wherever possible, we implement **waste separation** to recover valuable materials and reintroduce them into the circular economy, supporting our goal of maximizing resource efficiency and reducing environmental impact. In addition, we strive to **prevent waste through intelligent process design** and, where feasible, **substitute materials** with bio-based or biodegradable alternatives.

High regulatory standards of hygiene and sterility in both the research and production areas require the extensive use of single-use sterile plastic items. These include lab consumables, packaging components, and certain process tools that must meet strict sterility requirements to ensure product quality, safety, and compliance with regulatory standards. Due to these stringent hygiene and sterility requirements, many of these single-use items cannot be fully replaced with reusable alternatives without compromising safety or product integrity. While efforts are made to minimize plastic use where possible and to implement recycling where feasible, the nature of our operations imposes inherent limitations on the substitution of single-use sterile plastics.

This careful balance between maintaining operational hygiene and advancing circularity reflects the practical challenges in high-sterility environments, highlighting the need for targeted strategies to reduce environmental impact without compromising quality or compliance.

For the first time in this reporting year, **two organic waste streams from production** have been quantified and reported separately. These fractions were not previously accounted for in a uniform manner and are now fully integrated into group-wide waste reporting.

Biomass from the fermentation processes at the Cardiff site (Biocatalyts UK) is continuously delivered to a regional biogas plant, where it is recycled into renewable energy, contributing to both waste reduction and the circular economy. **Flour-based enzyme baking mixes** that can no longer be used as food or feed after their best-before date are currently disposed of in a responsible manner. We are exploring whether these organic materials could also be used as biomass for renewable energy production, further supporting resource efficiency and circularity.

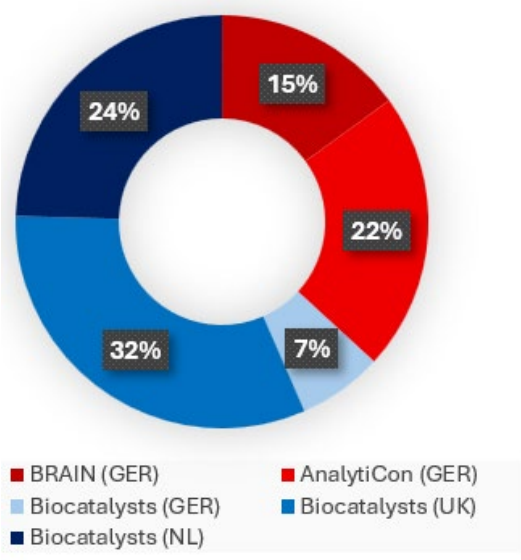
4.7.4 NON-HAZARDOUS WASTE, VOLUMES

- The group-wide volume of non-hazardous waste in this reporting period amounted to 157.274 tons (approx. 157 tons).
- The proportion of material that could be recycled was 61.274 tons (approx. 61 tons), or just under 39%.
- In addition, 240 tons of biomass from fermentation processes have been donated to a biogas plant.
- 34.88 tons of flour-based enzyme baking mixes after their best-before date have been collected throughout previous years and are therefore not attributable exclusively to the reporting year but covers several production years in a cross-sectional time frame.

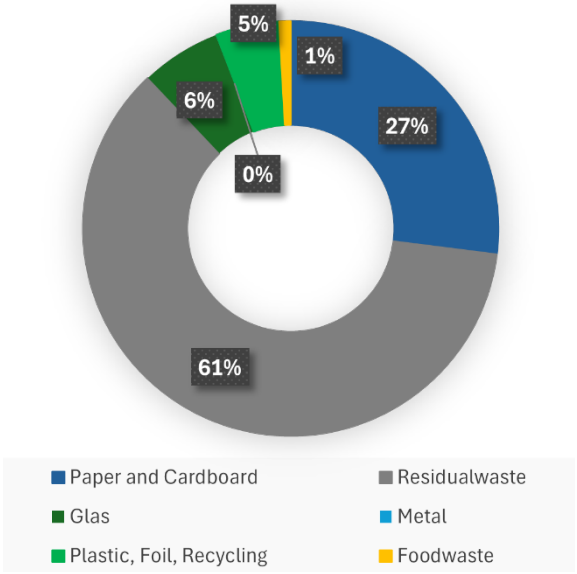
Waste type	EWC number	Recycling	Quantity [tons]
Residual waste, laboratory waste	20 03 01	No	96.000
Paper and cardboard	20 01 01	yes	42.539
Plastic packaging and film	15 01 02	Yes	7.505
Glass	20 01 07	yes	9.730
Metal	17 04 01/17 04 02	Yes	0.100
Organic waste	20 01 08	yes	1.400

Figure 13: Standard Waste and Composition of Standard Waste

FY 2023/24: Standard waste



FY 2023/24: Composition of standard waste



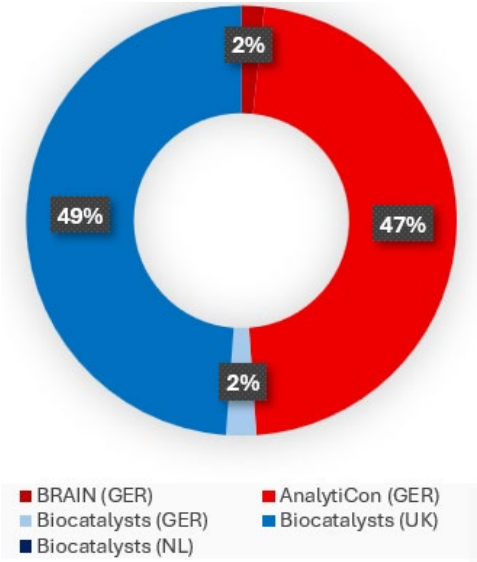
4.7.5 HAZARDOUS WASTE, VOLUMES

The total volume of hazardous substances across the Group amounted to 26.811 tons (approx. 26 tons).

For the first time, we were also able to break this down precisely by hazardous substance category. The volume is distributed almost evenly between production (a few process chemicals in large volumes) and research (many different chemicals in small individual volumes). At all sites, we work with certified waste disposal companies that ensure proper disposal and compliance with legal requirements for handling hazardous substances.

Waste type	EWC number	Hazard warnings	Quantity [t]
Halogenated solvents	EWC 07 01 03	HP10, HP14	1.069
Non-halogenated solvents	EWC 07 01 04	HP3, HP10	11.013
Organic solvents with admixtures	EWC 16 05 07	HP3, HP10	0.180
Isobutane	EWC 16 05 04	HP3	0.200
Imidazole	EWC 16 05 06	HP10	9.000
Ecotoxic waste	EWC 15 01 10	HP14	2.000
Solid waste	EWC 15 02 02	HP13	1.061
Mixed laboratory waste	EWC 16 05 06	HP10, HP13	1.000
Enzyme waste	EWC 16 03 05	HP13	1.200
Infectious waste	EWC 18 01 03	HP7	0.033
Waste oil	EWC 13 02 05	HP14	0.055

FY 2023/24: Hazardous waste



FY 2023/24: Composition of hazardous waste

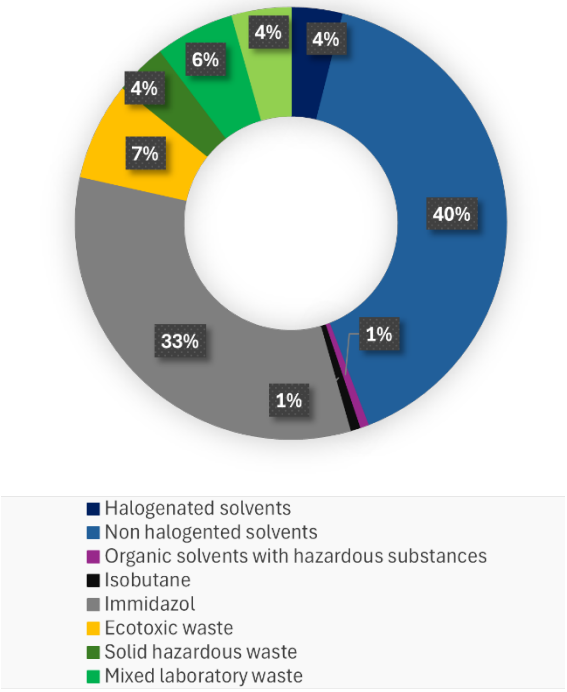


Figure 14: Hazardous Waste and Composition of Hazardous Waste

5. Social

The social dimension of sustainability focuses on how an organisation affects people - both within the company and along its value chain - as well as the wider society in which it operates. In line with the VSME framework, BRAIN Biotech AG recognises that responsible social practices are a key prerequisite for long-term business success, resilience, and trust among employees, business partners, and stakeholders.

BRAIN Biotech´s social responsibility approach is guided by respect for human dignity, equal opportunities, fair working conditions, and ethical business conduct. The company aims to create a safe, inclusive, and motivating working environment while contributing positively to society through responsible business practices.

This chapter provides an overview of our commitment related to social sustainability, with a particular focus on employees, working conditions, diversity and inclusion, health and safety, human rights, and social responsibility within the value chain. The disclosures follow the proportionality principle of the VSME standard and reflect the size, structure, and operational context of the company.

5.1 Characteristics of own workforce (B8, C5, C9)

5.1.1 GENERAL AND ADDITIONAL WORKFORCE CHARACTERISTICS (B8 AND C5)

For the reporting period, BRAIN Biotech discloses its workforce composition in accordance with the VSME (B8) requirements. In line with VSME (C5), the Group discloses additional workforce information on non-employee workers. The reported figures refer to the status as of the end of the reporting period, 30 September 2024.

- The workforce consists of a total of **318 permanent employees**, evenly distributed by gender (50% male and 50% female). This gender balance reflects a strong commitment to diversity and inclusion, fostering a fair and equitable workplace culture.

- Of these, **303 employees hold permanent employment contracts** (49% male, 51% female) and 15 are engaged under fixed-term contracts (53% male, 47% female). The large majority of employees on permanent contracts provides strong workforce stability and continuity, ensuring institutional knowledge is retained and fostering long-term commitment.

- In addition, BRAIN Biotech employs **66 part-time staff**, predominantly female (82%), and engages a limited number of non-employee workers, including 2 self-employed individuals, 10 temporary agency workers, and 11 trainees, apprentices, or students. The availability of part-time positions supports work–life balance and helps employees, particularly parents, reconcile family and career responsibilities. At the

same time, the engagement of trainees, apprentices, and students represents a strategic investment in the company's future talent pipeline.

- The workforce is geographically diversified across multiple countries, with 199 employees in Germany (43% male, 57% female), 99 in the United Kingdom (63% male, 38% female), 12 in the Netherlands (83% male, 17% female), and 8 in the United States (38% male, 63% female). A diverse, international workforce brings a wide range of perspectives, experiences, and ideas, fostering innovation, creativity, and a global outlook that strengthens the company's competitiveness and adaptability.

- As BRAIN Biotech employs more than 50 employees, the employee turnover rate for the reporting period is disclosed separately as part of this report. Employee turnover was around 18% in the reporting period. This reflects a phase of change rather than a negative trend. It is partly driven by restructuring initiatives aimed at better aligning our organization with future strategic needs and strengthening our teams in a sustainable way. The value represents a group-wide average, while turnover levels vary across individual locations. These differences highlight the impact of local circumstances and show that employee movement is not uniform but context specific.

- Approximately 21% of total employees are represented by a works council at one site, which supports co-determination and representation of interests within the organization. There are no collective bargaining agreements.

	Men	Women	Total	Men/ Women [%]
Employment status of employees				
Total number of permanent employees	159	159	318	50/50
- Permanent employment contract	151	152	303	50/50
- Fixed-term employment contract	8	7	15	53/47
- Part-time contract	12	54	66	18/82
Self-employed			2	
From temporary employment			10	
Trainees, apprentices, students			11	
Employment turnover				18
Distribution by state				
Germany	85	114	199	43/57
UK	61	38	99	63/38
Netherlands	10	2	12	83/17
USA	3	5	8	38/63
Further training				
Total training hours	2759	2538	5297	52/48
Average training hours			17	
Age structure				
< 30 years			50	
30 - 50			166	
> 50 years			102	
Average age			43	

5.1.2 GENDER DIVERSITY RATIO IN THE GOVERNANCE BODY (C9)

As a stock market listed corporation in the Prime Segment of the Frankfurt stock exchange BRAIN Biotech has a two-tier governance structure that includes both a Supervisory Board and an Executive Board.

At the end of the reporting period, the **Supervisory Board** comprised a total of six members, of which three were women and three were men. This composition reflects a gender diversity ratio of **50% female representation** within the company's highest supervisory body. Overall, considering the governance structure, the company demonstrates balanced gender representation in the Supervisory Board. The **Executive Board** was composed of **two men** during reporting period.

To further increase the proportion of women in management, we have set a dedicated sustainability target. Our aim is to achieve at least 30% women in managerial positions by 2032.

To establish a clear definition of management and actively measure and steer development toward this goal, we have implemented a **new group-wide role framework** comprising seven job levels (2025). These levels are defined by responsibility and impact rather than by title alone, in order to reflect their true role within the organization. To achieve this, the core competencies and responsibilities of each position have been clearly defined, taking into account differences across the various business areas. We distinguish between leadership, which carries strategic and tactical responsibility with a long-term focus, and management, which is responsible for operational execution in the short to medium term

We therefore sharpened our sustainability target to apply specifically to levels 2 and 3, which represent strategic and tactical leadership

Infobox: System change and data availability

The employee ratio figures presented here refer to the 2024/2025 financial year. In the 2023/2024 financial year, significant changes were implemented in the Group structure, including the merger of AnalytiCon Discovery GmbH into BRAIN Biotech AG and the spin-off of Akribion Therapeutics. In addition, the business activities of Biocatalysts and BRAIN Biotech were more closely integrated organizationally. At the same time, preparations were made for the gradual introduction of a group-wide HR information system (HRIS). Due to these structural adjustments, fully consistent and comparable data for calculating employee ratios were not yet available for the 2023/2024 financial year.

Level	Description	Number of men	Number of women	Total	Proportion of women [%]
0	Supervisory Board	3	3	6	50
1	Executive Board	2	0	2	0
2	Strategic leadership	13	4	17	**23**
3	Tactical leadership	30	11	41	**27**
4	Operational management	19	18	37	**49**
5	Engineering positions and administrative functions	32	39	71	**55**
6	Technical and administrative assistance	47	61	108	**56**
7	Trainees, students, and interns	1	4	5	**80**

5.2 Workforce – Health and safety (B9)

Although we take every possible measure to ensure that our employees work under the safest conditions, minor accidents and incidents cannot always be completely avoided. At all locations, we are subject to applicable regulations, which we diligently comply with and monitor. All employees receive regular safety training tailored to their specific workplace environment. In addition, site-specific safety inspections are conducted, and dedicated teams are responsible for occupational safety.

All work-related accidents – including those not subject to reporting requirements – are systematically documented and analyzed internally and, where necessary, incorporated into measures for further prevention. Six **reportable accidents** occurred at four locations and resulted in only minor downtime. These were accidents on the way to work, falls, cuts, and burns, which required medical treatment but were not serious overall.

	Number	Types of accident	Impact
Minor accidents without impact	47	Minor skin injuries, bruises, and cuts	None
Accidents requiring reporting	6	Falls, accidents on the way to work, skin injuries, burns	Medical treatment, minor absences
Work-related deaths	0		
Actual hours worked of all employees	563,030.63		
LTIFR (lost time injury frequency rate, VSME standard)	2.13		
LTIFR based on 1,000,000 working hours (sustainability target)	1.20		

5.3 Workforce – Renumeration, collective bargaining and training (B10)

As part of its commitment to fair and transparent employment practices, the Group monitors key workforce indicators related to remuneration and professional development.

- The unadjusted gender pay gap across the Group amounts to 27.5%. This figure reflects the overall difference in average gross earnings between women and men without adjustment for factors such as role, seniority, or function. Therefore, the unadjusted GPG does not reflect an accurate picture of the company's overall compensation structure. Going forward, it is planned to report an adjusted GPG, which considers the different job levels and other relevant factors, allowing for a more precise assessment of pay differences across the organization. BRAIN Biotech continues to develop and observe this indicator as part of its broader efforts to strengthen diversity and inclusion across the organization.

- BRAIN Biotech also places strong emphasis on the training and development of employees at all levels and actively contributes to the qualifications of future professionals. The Group is therefore engaged in the education and development of students, trainees, and apprentices. At the end of the reporting period, a total of eleven trainees and apprentices were employed by the company, demonstrating BRAIN Biotech's ongoing commitment to skills development and long-term workforce capability.

- During the reporting period, employees completed a total of 5,297 training hours. Of these, 2,759 hours were completed by men and 2,538 hours by women, corresponding to a balanced distribution of 52% and 48%, respectively. The average number of training hours per employee was 17 hours during the reporting period. Training and development opportunities are made available on an equal basis to all employees and are evenly distributed between both genders, supporting the Group's aim of ensuring equal access to professional growth, qualification measures, and career development pathways.

Further training	Men	Women	Total	Men/ Women [%]
Total training hours	2759	2538	5297	52/48
Average training hours			17	

5.4 Policies and processes related to human rights (C6, C7)

Our corporate governance is based on **clear internal guidelines, effective control mechanisms, and recognized external standards**. These include the German Corporate Governance Code (DCGK), the German Sustainability Code (DNK), and the principles of the UN Global Compact in the area of human rights, labour the environment and anti-corruption.

A group-wide compliance and control system, binding guidelines such as the BRAIN Financial Control Framework (FCF) and the BRAIN Red Book, a consistently applied dual control principle, and regular reporting, forecasting, and audit processes ensure that we act in a compliant, responsible, and sustainable manner.

The group-wide integration of our core values set out clear standards for ethical behavior, integrity, and respectful interaction. In addition, a formal grievance procedure is in place, enabling employees to report potential violations or concerns confidentially and without fear of retaliation. In this way, BRAIN ensures that human rights and fair working conditions are consistently upheld.

Disclosure	Description
Does the company have a code of conduct or a human rights policy for its own workforce?	Yes
Does the company have a procedure for handling complaints from its own workforce?	Yes

BRAIN Biotech confirms that there have been no incidents related to child labor, forced labor, human trafficking, or discrimination. The company complies with the standard provisions of German labor law and ensures a safe and fair working environment for all employees. In addition, BRAIN Biotech is not aware of any confirmed incidents involving workers in its value chain, affected communities, consumers, or end users. The company maintains robust management systems and grievance mechanisms to promptly identify and address any potential violations.

Disclosure	Description
Has the company confirmed incidents within its own workforce?	No
Do you indicate other human rights that are related to the confirmed incidents?	No
Is the company aware of confirmed incidents involving workers in the value chain, affected communities, consumers, and end users?	No

6. Governance

Good governance forms the foundation for responsible, transparent, and sustainable business conduct. In accordance with the VSME framework, BRAIN Biotech understands governance as the system by which the company is directed, managed, and controlled, ensuring ethical behaviour, legal compliance, and accountability.

BRAIN Biotech's governance approach is designed to support sound decision-making, risk management, and long-term value creation. Clear responsibilities, transparent processes, and integrity in all business activities are essential elements of the company's governance structure. Given the size and organisational setup of BRAIN Biotech, governance arrangements are implemented in a pragmatic and proportionate manner, consistent with the principles of the VSME standard.

This chapter outlines BRAIN Biotech's governance practices, including management responsibilities, internal controls, ethical standards, risk management, and compliance. The disclosures reflect the company's operational context and focus on the governance topics most relevant to BRAIN Biotech's business activities.

6.1 Revenues from certain sectors and exclusion from EU reference benchmarks (C8)

BRAIN Biotech does not generate any revenue from activities that are considered critical or controversial in terms of sustainability and ethics. This includes controversial weapons such as anti-personnel mines, cluster munitions, and chemical or biological weapons. In addition, BRAIN Biotech does not earn income from the cultivation or production of tobacco, nor from coal, oil, or gas-related activities. The company also does not generate revenue from the production of chemicals.

Revenues from certain sectors?	**Description**
Does the company generate revenue from any of the activities listed below?	No
Revenue from controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)	No
Income from the cultivation and production of tobacco	No
Revenue from coal, revenue from oil, revenue from gas	No
Revenue from chemical production	No

6.2 Convictions and fines for corruption and bribery (B11)

In the 2023/24 reporting period, there were no incidents, violations, or fines across the Group in the area of compliance relating to corruption or bribery.

Incidents	Number	Amount [EUR]
Violations of anti-corruption and anti-bribery laws	0	
Fines		0
Administrative fines		0

As part of the double materiality analysis (DMA), risks and potential impacts along the supply chain were examined, including aspects such as corruption, bribery, human rights, and diversity. Through close integration with our risk management system (RMS), we ensure that any risks are identified and assessed at an early stage and that appropriate mitigation measures are implemented.

In addition, all employees have access to an anonymous reporting system (whistleblower hotline) that can be used to report any issue. The technical design of this system varies depending on the location. This makes it possible to report irregular behavior or compliance violations securely and confidentially.

Disclosure requirements under the VSME

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List of abbreviations and definitions

Abbreviation	Description
AG	Aktiengesellschaft; a public limited company in German-speaking countries with tradable shares
Basic Module (VSME B1–B11)	The minimum set of disclosure requirements in the VSME voluntary sustainability reporting standard
BRAIN Bioarchive	Maintained collection of diverse and rare microorganisms
MetXtra™	Metagenomic database, a collection of DNA sequences from microbial communities in rare or unique habitats
BRAINway	Internal training program for all employees
BioIncubator	One of the three interlinked business segments of BRAIN Biotech AG
BioProducts	One of the three interlinked business segments of BRAIN Biotech AG
BioScience	One of the three interlinked business segments of BRAIN Biotech AG
CDMO	Contract Development and Manufacturing Organization
CRO	Contract Research Organisation
Comprehensive Module (VSME C1-C9)	The additional set of disclosure requirements for deeper stakeholder-oriented reporting in the VSME voluntary sustainability reporting standard
CSRD	Corporate Sustainability Reporting Directive; EU regulation requiring detailed sustainability reporting for large companies
COP	Communication on Progress, annual reporting as active member of UN Global
CO_2	Carbon dioxide, naturally occurring gas that acts as a major greenhouse gas, trapping heat in the Earth's atmosphere and contributing to climate change
CO2e	Carbon dioxide equivalent, standard unit that expresses the global warming potential of different greenhouse gases in terms of the amount of CO_2 that would have the same warming effect
DMA	Double Materiality Assessment; an analysis of impacts on both the company and its stakeholders (used in ESRS, not required in VSME)
ESG	Environmental, Social, and Governance; the three pillars of sustainability reporting
ESG Cockpit	Data collection of ESG related indicators and KPIs
ESG Focus areas	Strategic areas of action for material ESG topics
ESG Ring Team	Interdisciplinary, group-wide team of experts, spanning a 360-degree view on all aspects of the company
ESRS	European Sustainability Reporting Standards; detailed mandatory EU sustainability reporting standards under CSRD

FCF	Financial Controle Framework, BRAIN Biotech´ s structured financial management system
FY	Fiscal year, 12-month period BRAIN Biotech uses for accounting and reporting purposes, from 01. October to 30. September
GHG	Greenhouse Gas(es); gases contributing to climate change, measured in reporting frameworks like GHG Protocol
KPIs	Key Performance Indicators; numerical measures used to track performance (e.g., on-time deliveries)
LEAP Analysis	Locate-Evaluate-Access-Prepare; a tool used to assess a company's Long-term Environmental, Social, and Policy impacts to guide sustainable decision-making
S&OP	Sales and Operations Planning; the integrated process aligning supply chain activities with business objectives
SFDR	Sustainable Finance Disclosure Regulation; EU regulation on sustainability disclosures for financial market participants
SME	Small and Medium-Sized Enterprise; a company category based on employee count/revenue thresholds
VSME	Voluntary Sustainability Reporting Standard for non-listed SMEs; a simplified, voluntary EU sustainability reporting standard for micro/small/medium enterprises not covered by CSRD
GHG Intensity	A measure of greenhouse gas emissions relative to a unit of output, e.g., tons CO_2e per 1 million euros revenue
IBC container	Intermediate Bulk Container; a reusable, industrial-grade container designed for the storage and transport of liquids, chemicals, or granulated substances
IRO	Impact-Risk-Opportunity; refers to the assessment of a company's activities to identify potential positive or negative effects, associated risks, and strategic opportunities for sustainable value creation
RMS	Risk Management System, BRAIN Biotech AGs structured approach to assess, manage and mitigate risks
SDG	Sustainable Development Goals, 17 global goals adopted by the United Nations to achieve sustainable development worldwide by 2030
Scope 1	Direct greenhouse gas (GHG) emissions from sources that are owned or controlled by the company, e.g., combustion of fuel on-site
Scope 2	Indirect GHG emissions from the consumption of purchased electricity, heat, or steam
Scope 3	All other indirect GHG emissions that occur in a company's value chain, including upstream and downstream activities
m^3	Cubic meter; a unit of volume in the metric system
MWh	Megawatt-hour; a unit of energy equivalent to one million watt-hours
KWh	Kilowatt-hours; a unit of energy equivalent to one million watt-hours
ML	Megaliter; a unit of volume equal to one million liters (1 ML = 1,000 m^3)
t	Tons, a unit of volume equal to one thousand kilograms (1t = 1,000 kg)

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