



Sustainability

BioArctic's clearest and most important contribution to a global sustainable future consists of developing drugs to counteract and treat diseases of the brain, with the goal of improving life for affected patients and their families.

Sustainability is a **natural** part of our operations

As part of efforts to raise its sustainability ambitions, BioArctic has appointed Charlotte af Klercker as Corporate Sustainability Director. In addition to responsibility for building the pharma company Sobi's sustainability agenda from the ground up, she also has experience from a range of different executive positions in the life science industry.

You are the Corporate Sustainability Director, an entirely new position at BioArctic. What have you been tasked to do?

“My task is to lead, guide and train the organization in the issues that have a bearing on sustainability. Working more informally with sustainability has been effective until now, but as a result of the company's growth and the increasing regulation of the field of sustainability, these efforts need to be more systematic in order to ensure that sustainability permeates the entire operations. In practice, this means that the sustainability perspective must be formalized and scaled up, and that as a result we need to create processes to match the journey of growth that BioArctic is now embarking on.”

How would you define BioArctic's sustainability agenda?

“BioArctic's advantage is that our business concept is promoting better health – one of the UN Sustainable Development Goals. The population is aging, and our research is aimed at fields with significant medical need that lack efficacious remedial treatments. Innovation is an ongoing process, and we are driven not only by producing drugs with new mechanisms of action but also continuing to develop them to be even better. Our employees are our most important resource, and their well-being and work environment is in sharp focus in our daily



activities. As the new Sustainability Director, this is a favorable starting point.”

Why is a structured sustainability agenda important for BioArctic?

“Our sustainability work is a natural part of our business and something that makes us competitive. Further it is a work to meet the legal requirements for sustainability reporting that enter force in 2025. According to the new European Corporate Sustainability Reporting Directive (CSRD), companies of BioArctic’s size must then have an integrated sustainability report in their annual report. But sustainability is also a factor that is becoming increasingly important, both for employees, investors and for clients in health care in many countries, so it is not only a matter of legal requirements but also strengthening the company’s competitiveness and creating value for society. The fact that we are structuring our sustainability work now is very good timing, considering the growth phase BioArctic is currently in. Working more clearly and in a more structured manner with sustainability is natural in this situation, so that it can grow along with the company.”

You recently conducted a materiality assessment and several stakeholder dialogues that will form the foundation for sustainability activities going forward. What happens now?

“Understanding our business environment and the expectations of us as a company is key. Based on these insights, we will develop a strategy and an action plan for how we will fulfill these reporting requirements and make a difference in the world around us. To start, we will involve all the parts of our organization and collect information and data. In parallel with this, we will identify new initiatives that can support our sustainability journey.”

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New strategy for a **sustainable future**

The regulations in the CSRD apply as of January 1, 2024 in EU but have not yet been incorporated into Swedish law. The regulations will gradually encompass companies of various sizes. To meet these new legal requirements while in parallel increasing the company's competitiveness, BioArctic has expanded the sustainability strategy to include both innovation and financial, social and environmentally sustainable business.

To ensure compliance with the new requirements for sustainability reporting, BioArctic conducted a stakeholder dialogue during the year and identified the sustainability areas that are material to the company. BioArctic also conducted a GAP analysis to identify which activities need to be conducted in order to ensure that the data and procedures are in place. In summary, the assessments conducted show that BioArctic is well positioned to fulfill – and over the long term even exceed – the requirements set by the CSRD in several areas, but increased transparency around the data needs to be established.

In practice, this means that BioArctic defines measurable goals and reports key ratios as part of employeeship, the work environment, ethics and performance. In the area of the environment, efforts are under way to survey which key ratios and data are relevant for the company. Absolute sustainability goals in the area of the environment will be set once the baseline values for the relevant key ratios are established.

Focus on patient safety and product quality

The company's quality work is based first and foremost on safeguarding patient safety and ensuring product quality. In its capacity as a biopharma company, BioArctic complies with the laws and regulations that apply to the pharma industry, including regulations and guidelines for good practice (GxP). BioArctic has a validated quality management system, and since the company is now in a growth phase that involves



ongoing changes, this will have an impact on how the quality management system is designed and monitored. BioArctic has also reviewed the company's policies, which resulted in the implementation of an updated Code of Conduct. This was introduced and initiated during the company's Employee Days in May 2023, and is mandatory for all employees to read and approve in the quality management system. Moreover, the whistleblower function has been updated in line with legal requirements and has been made available externally along with the company's Code of Conduct. As preparation ahead of commercial operations, the company has also initiated several new policies with a bearing on anti-corruption and compliance

with commercial regulations, for example, regarding the value transfers to health and medical care personnel.

Environmental focus

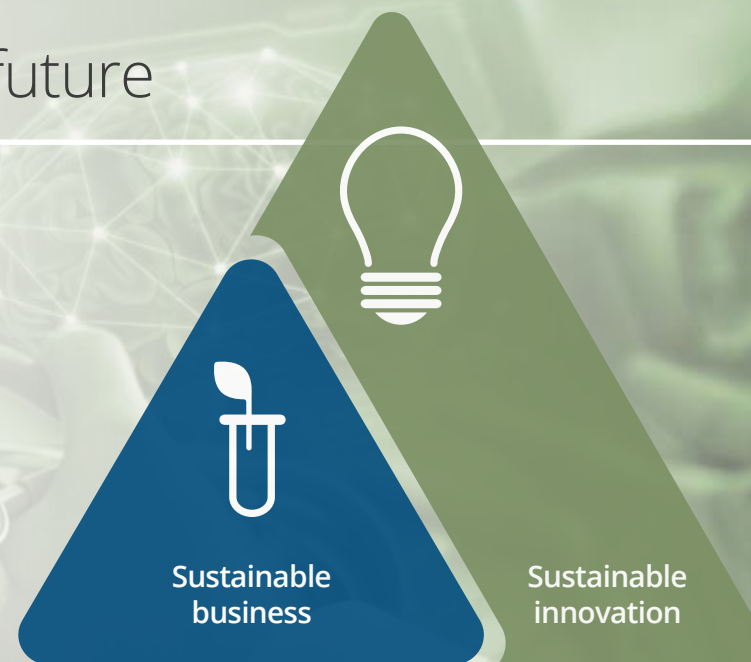
During the year, a survey was initiated of the environmental impact that is generated by the company's own operations. The purpose of this initiative is to report on targets and data in accordance with the introduction of the CSRD, and to produce a more detailed sustainability report. During the year, the company took several measures to reduce its environmental emissions. These include the introduction of an updated vehicle policy that permits only electric and hybrid

vehicles, and a gradual transition to LED lighting in the office as well as sorting of all waste. In the company's laboratories, equipment such as freezers are gradually being replaced by more energy-efficient models. BioArctic's main operations are located at its head office in Stockholm, where the company has signed a green lease that includes a declaration of intent to collaborate to promote environmentally sustainable rental conditions. The property is environmentally certified, and BioArctic and its landlord have undertaken to use only renewable or climate-neutral energy. The landlord provides chargers for electric vehicles, space for bicycles and dressing rooms, and coordinated waste removal for better use of resources.

BioArctic's strategy for a sustainable future

BioArctic's most important contribution to a sustainable future is innovation and development of safe and effective drugs against diseases that affect the brain. To facilitate this, the company needs to pursue responsible research of the highest quality, which in turn requires the company to be a reliable and attractive employer for its employees. The company's partnerships are a vehicle to ensure that both the value of the company's research and its innovations reach a global audience. The operations BioArctic conducts are to be characterized by transparency, creativity and respect for the equal worth of all. BioArctic summarizes these values with the term *Sustainable innovation*.

BioArctic also endeavors to integrate economic and environmental sustainability at all levels in its operations for the purpose of meeting the requirements in the legislation that will apply to the field of sustainability in the near future. Key parts of these efforts are routine development of the company's procedures, quality management system and other aspects, as well as taking measures to prevent any environmental impact from the company's own operations. BioArctic summarizes its fulfillment of prevailing legislation and the company's commitments with the term *Sustainable business*.





The purpose of CSRD

- Harmonize and improve the quality of sustainability-related information concerning the environment, social issues and corporate governance that the company publishes in its annual reports.
- Provide financial companies, investors and the general public with comparable, relevant and reliable sustainability information.
- Encourage investments that support the transition to a sustainable economy in line with the European Green Deal.



What does this mean for BioArctic?

- BioArctic is obligated to report in accordance with the CSRD by fiscal reporting year 2025 at the latest. The efforts to meet these requirements were initiated during the year.
- The reporting requirements are increasing as regards transparency around sustainability and comparability among companies in the pharma industry.
- BioArctic intends to use sustainability as a competitive advantage in order to attract stakeholders such as investors, partners, employees, and customers.

Read more about BioArctic's sustainability activities in this report, on pages 128-139.

